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OIC Contact Group Issues Statement on Bosnia

LD1309121395 Tehran IRNA in English
1134 GMT 13 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 13, IRNA — The preliminary session of Organization of the Islamic Conference (OIC) contact group ended Wednesday by issuing a statement and an action plan.

Iran's deputy foreign minister, Mohammad Javad Zarif, speaking after the session said that the decision is of importance adding that this is the first time the OIC has come up with such a measure.

He added that the statement, issued by the high-ranking officials of the defense and foreign ministries of the participating countries, will be discussed at the joint session of the OIC foreign and defence ministers here on Thursday.

According to Zarif, the participants were unanimous that in the absence of an action plan and ways of implementing it, lifting of arms embargo against Bosnia will not be possible.

APEC Business Ministers View Common Problems

BK1609124895 Bangkok BANGKOK POST
in English 16 Sep 95 p 15

[Report by Bunsong Kositchotthana from Adelaide, Australia]

[FBIS Transcribed Text] APEC'S [Asia Pacific Economic Cooperation] business ministers ended a two-day meeting here yesterday, adopting a host of action programmes to address the common difficulties faced by small and medium enterprises (SMEs) in the 18 economies of the Asia-Pacific region.

The programmes were adopted in recognition of the significant contribution that SMEs have made to economic activity within the Asia Pacific Economic Cooperation region, particularly intra-regional trade and investment.

SMEs make up well over 90% of all enterprises in the region and are responsible for 32-84% of employment and 30-60% of GDP depending on which APEC member is surveyed. SMEs are also the source of about 35% of the region's exports.

The Asia-Pacific region's share of world trade has increased dramatically from 37% in 1983 to 44% in 1993. To a large extent, this growth is a reflection of the rapid expansion of intra-APEC trade.

Between 1989 and 1993, the value of trade conducted by APEC economies rose by about US$1trillion, with almost 80% of this increase due to greater levels of trade among APEC members.

The APEC economies see the promotion of a strong SME sector as vital to the economic health of the region.

The adoption of the action programmes by ministers responsible for SMEs marked another step towards the goal of achieving ministerial agreement on the 1994 Bogor Declaration that free and open trade be established by 2010 for developed APEC economies and by 2020 for developing members.

"As a result of this week's events, the APEC SME ministers have the tiger by the tail," said Australia's Minister for Small Business, Senator Chris Schacht.

The action programmes were set up to deal with problems faced by SMEs in five priority areas: human-resource development, information access, technology and technology-sharing, financing and market access.

Under human-resource development, the delegates agreed to implement two policies to build entrepreneurial, technical and managerial skills. The first, a series of workshops, will educate owners of SMEs on regulations and policies in different APEC nations.

The first seminar will be held in Osaka in October, with a second to be held in late 1996.

The second policy agreed to was the development of a franchising study designed to educate SMEs on the benefits of business franchises and to analyse different models for national or international franchise operations. A workshop on franchising will be held in the APEC region next May.

On information access, it was agreed that an industrial outlook study be published by December and a directory of SME agencies be completed by next May. As well, studies will be done on business practices and the use of electronic systems by SMEs.

On technology and technology-sharing, the delegates agreed to create an APEC centre for technology exchange and training by 1996 or 1997.

Inadequate access to financing and information was also on the agenda, with APEC ministers deciding to organise a venture-capital workshop this month and to conduct a study of the efficiency of financial markets to be published in April.

All of these action programmes will be presented at meetings of APEC ministers and economic leaders in Osaka in November.

The SME ministers will hold a third meeting in the Philippines in September 1996 to monitor progress under the SME action programmes.

'Bickering' Obstructing APEC Free Trade

BK1809051495 Bangkok BANGKOK POST in English 18 Sep 95 p 22

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] The promise of free markets and trade under APEC [Asia-Pacific Economic Cooperation] has run into several roadblocks with bickering erupting among factions of the 18-country group.

Last week's meeting of senior officials of the Asia-Pacific Economic Cooperation group in Hong Kong saw China, Japan, Taiwan and South Korea hold firm in their resistance to the inclusion of rice in the free-trade programme.

In another dispute, the United States and China failed to reach agreement on the wording of the action agenda.

The representatives from countries within the group met to draft a plan to carry out resolutions made at last year's APEC economic leaders' meeting in Bogor, Jakarta.

At the Bogor meeting, the APEC countries made a commitment to achieving free and open trade and investment within a specific timeframe.

Seven of nine issues scheduled for discussion in Hong Kong were agreed on, with only the rice and the U.S.-China dispute outstanding.

Among the principles settled was that APEC's liberalisation of trade and investment would be consistent with the principles of the World Trade Organisation. In addition, implementation of the action programme would be transparent to all members.

But the two problems will not be easy to resolve.

On the issue of liberalising rice markets, China, Japan, Taiwan and South Korea all joined up in asking for special consideration of rice as a "special issue" — essentially excluding rice from the liberalisation programme.

"Japan, Taiwan, and South Korea made clear that they cannot give a commitment for liberalisation of rice at this time, because it would probably affect their social and cultural situation, as well as their internal political affairs. China also is not ready to liberalise on some issues including rice, cars and electronics," said Kopsak Chutikun, director-general of the Department of Economic Affairs.

The other 14 countries disagreed with this position, arguing that if rice is granted an exemption for the four countries, inevitably other countries will follow with their own requests to protect certain products from the free-trade programme.

Mr Kopsak said several U.S. representatives criticised the move to exclude rice, believing this would break the principle of liberalisation agreed on at the Bogor summit.

Japan, Taiwan, South Korea, and China reserved their rights to further negotiate with the other countries under the auspices of the World Trade Organisation, before making a firm commitment to APEC.

The WTO is scheduled to hold the next round of negotiations on agricultural products in 1998.

The second dispute concerned the wording to be used in the draft action agenda and the non-discrimination principle.

The principle states that each member will treat all other members as economic equals.

China wants the non-discrimination principle to be implemented with the start of the programme on January 1, 1997. This is because, under the principle, China would then be accorded full member rights — the U.S., consequently, would be forced to grant China Most Favoured Nation [MFN] status on the grounds of its' being a fellow APEC member.

Countries granted MFN status gain preferential tariff privileges on their exports to the U.S.. The U.S. has long held the threat of withholding MFN status from China as a negotiating tool in an effort to encourage China to open up its markets and improve its human rights record.

The U.S. wants to hold its right to grant MFN status to countries outside the scope of APEC, waiting until the results of trade and investment liberalisation can be seen.

The Bogor Declaration set the year 2010 for developed countries and 2020 for developing countries as the date for implementing free trade within APEC.

Mr Kopsak said the U.S. wanted to exert pressure on China, which is negotiating to join the WTO. If China received all the privileges available from APEC, then there would be no need for it to make adjustments to its economy as required by the WTO, he said.

Also decided at the Hong Kong meeting was that economic and technical development cooperation would be included in the Action Agenda.

Comparison of countries' levels of trade and investment liberalisation should be allowed. Basically, this would be voluntary and would not require negotiation, the meeting decided.

APEC senior officials will meet again next month in Tokyo to discuss the two unresolved issues, ahead of the economic leaders' summit in Osaka in November.

Mr Kopsak said if the issues raised by the four countries could not be tackled adequately at next month's meeting, APEC leaders would have to reexamine the scope of the APEC liberalisation scheme.

Japan Urged To Let Li Teng-hui Attend APEC

OW1609120195 Taipei CNA in English 0908 GMT 16 Sep 95

[By Peter Chen]

[FBIS Transcribed Text] Adelaide, Sept. 15 (CNA) — ROC Economics Minister P.K. Chiang Friday [15 September] asked Japan to allow President Li Teng-hui to attend the November Asia-Pacific Economic Cooperation (APEC) leaders' summit in Osaka.

At a news conference following the end of the three-day second APEC small and medium enterprises ministerial conference in Adelaide, Chiang told reporters that he made the request when he held bilateral talks with Akihiro Ohata, parliamentary vice minister of international trade and industry of Japan.

"I personally asked Mr. Ohata to convey my request to the Japanese Foreign Ministry to agree with the visit of President Li to Osaka so that he can attend the summit," he said.

He said President Li would contribute a lot to the summit if he attends the meeting because of his experience in economic development, agricultural development and other fields.

"I believe President Li's participation in the APEC leaders' summit can contribute a lot to the 18-member forum and make the summit more colorful," he said.

The Japanese chief delegate to the Adelaide meeting promised to convey Chiang's request to his minister and Japan's Foreign Ministry.

Singapore's Lee Hsien Loong Opens AIPO Meet

BK1809124395 Singapore Radio Corporation of Singapore in English 1000 GMT 18 Sep 95

[FBIS Transcribed Text] ASEAN will have to work harder at decisionmaking and consensus-building as its membership expands. Making the point, Acting Prime Minister Lee Hsien Loong said consultations and consensus-building had enabled ASEAN to set a side differences and focus on areas of mutual interests.

He was speaking at the opening of the 16th ASEAN Inter-Parliamentary Organization, AIPO, meeting. RCS news reporter Wong Soo How with the details:

[Begin recording] [Wong] Another strength of ASEAN, General Lee says, is the ability of its members to put aside the growing issues to be resolved later. He noted that, despite diversity of backgrounds, ASEAN members have found common ground for interaction.

[Lee] ASEAN has also successfully launched political, economic, and security initiatives and provided a critical impetus to wider Asia-Pacific regional cooperation. In areas where our interests coincide, like AFTA [ASEAN Free Trade Area], APEC [Asia Pacific Economic Cooperation] and more recently, the ARF [ASEAN Regional Forum], we have worked together.

[Wong] Gen. Lee also welcomed Vietnam's entry as a full member of AIPO. Chairman of the National Assembly of Vietnam Nong Duc Manh told me through an interpreter how he felt:

[Nong Duc Manh, in Vietnamese fading into English translation] Vietnam's membership is of historical significance. I hope Vietnam's participation in AIPO will lead to greater cooperation and understanding among the peoples of ASEAN. This will turn the region into one of peace, friendship, and development. [end recording]

Session Discusses Trade, Spratlys

BK1909113695 Singapore Radio Corporation of Singapore in English 1000 GMT 19 Sep 95

[FBIS Transcribed Text] ASEAN parliamentarians meeting in Singapore held their first preliminary session today. Patricia Samuel with the details:

[Begin recording] [Samuel] The session opens with the formal admission of Vietnam. It is the first time membership has been expanded since the first general assembly 16 years ago.

In a closed-door session later, members and observer countries discussed the ASEAN Free Trade Area, environmental protection and the dispute over the Spartlys. Jose De Venecia, Jr., speaker for the Philippines House of Representatives, urged AIPO [ASEAN Inter-Parliamentary Organization] to call on the countries involved in the dispute to reduce their forces in the area.

[De Venecia] We believe we are seeing now the beginning of a conceptual breakthrough in the South China Sea on the Spratlys issue. Right now, I propose there should an imminent token, initial reduction of forces in the garrisons in the South China Sea.

[Samuel] Chinese delegate Wang Shu said his country is willing to resolve the dispute under international law, a point which De Venecia agreed.

[De Venecia] They are willing to develop this within the Law of the Sea. It means that they recognize the 200-mile exclusive economic zone. If that is only recognized, then there is no more Spratlys conflict. [end recording]

ASEAN Plans To Rid Region of Nuclear Arms

BK1609122095 Bangkok BANGKOK POST in English 16 Sep 95 p 3

[Report by Saritdet Marukhathat]

[FBIS Transcribed Text] The Association of Southeast Asian Nations (ASEAN) is pursuing a plan to have all 10 nations in the region sign a treaty banning nuclear weapons in the region at its December summit.

The idea, spearheaded by Indonesia, has received the support of the other ASEAN member countries.

However, senior officials remain sceptical whether the drafting of the Treaty on a Southeast Asia Nuclear Weapons Free Zone (SEANWFZ) can be completed by the end of the year.

Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat confirmed yesterday that Cambodia, Laos and Burma have agreed in principle to the idea but they needed to see the final draft of the treaty.

However, Mr Sarot cautioned that the main point was that the seven ASEAN countries sign the treaty, "but it would be ideal if the rest could also sign at the same time."

Indonesia sent its officials to Cambodia, Laos and Burma early this month to sound out their opinions on signing the treaty, a senior official at the Indonesian Foreign Ministry confirmed.

If the treaty is completed on time for the summit, leaders of Thailand, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Vietnam, and perhaps the three nations, will sign it before the end of the meeting set for December 14-15 in Bangkok.

It will undoubtedly be the highlight of the summit, aside from talks between 10 government leaders in Southeast Asia.

ASEAN has been working on the treaty since the 1970s but were unwilling to go against the wishes of the United States during the Cold War.

Southeast Asian waters have always been a busy thoroughfare for the American military, including nuclear-powered vessels.

While ASEAN officials are sceptical about the possibility of realising the plan, the Indonesian official was confident that the final draft of the treaty will be done by November.

ASEAN officials are scheduled to meet in Bandung, Indonesia, next Thursday and Friday to discuss differences they have over the treaty.

These include some "wordings" and issues including the boundary of the zone.

They will meet for another round of talks in Jakarta in November in which representatives from Burma, Cambodia and Laos will participate.

Indonesia chairs the meeting which is conducted by the working Group on ZOPFAN and SEANWFZ.

ZOPFAN stands for the Zone of Peace, Freedom and Neutrality and seeks to promote those principles in Southeast Asia.

The contents look more complicated after each ASEAN country discussed the idea with other government agencies involved in nuclear and defence affairs.

Also yesterday, senior Foreign Ministry officials met with their Economic counterparts to discuss the declaration to be released at the summit.

Kroek-krai Chiraphaet, director-general of the Commerce Ministry's Business Economics Department, said ASEAN economic officials had not yet finalised its part and will meet again in Ho Chi Minh City on October 9 and 10.

He ruled out the possibility of announcing the speeding up of the ASEAN Free Trade Area by 2000 at the summit and reaffirmed the outcome of ASEAN economic ministers' meeting in Brunei which pledged to cut tariffs to zero.

Mr Sarot said: "We will try our best to make some progress as we have three more months to go."

The next joint meeting between senior political and economic officials will be on November 6 and 7 in the Indonesian capital.

Effort for Regional ASEAN Membership Viewed

BK1909062895 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 19 Sep 95 p 1

[Report by Saritdet Marukhathat: "Self-interest gets in the way"]

[FBIS Transcribed Text] Phuket — The goal is clear — a strong free economy across ASEAN — but how to achieve it is another matter.

The Association of Southeast Asian Nations a few years ago reaffirmed the vision of its founding fathers to include all 10 nations in the region.

However, it has yet to work out how to smooth the entry of Burma, Cambodia and Laos by 2000.

Individual ASEAN members have preferred their own programmes to help Burma, Cambodia, Laos and Vietnam, join the group. The motives are mainly domestic political and economic considerations.

Vietnam joined the group mid-year.

The four countries, closed for decades during the Cold War, offer abundant natural resources and cheap labour, as well as laws full of loopholes that can be exploited by investors.

Theoretically, a collective ASEAN approach is desirable, but the recent dropping of Thailand's proposal to set up an ASEAN Fund to pool human and financial resources from the group to help Burma, Laos and Cambodia, shows that members have yet to put behind unspoken rivalry.

Sarot Chawanawirat, Deputy Permanent Secretary for Foreign Affairs, who was at last week's meeting to prepare for the fifth ASEAN summit in Bangkok, said the proposal was dropped because other ASEAN members were not ready to make a commitment to the fund.

A senior official said countries like Brunei and Singapore were not ready to contribute because they were short of manpower.

The most serious concern for those who opposed the idea was that it would change the status of ASEAN members from aid recipients to donors.

They feared this would adversely affect international help for the group, an ASEAN official said.

Another official said self-interest in the organisation overshadowed its efforts to deal with Burma and Indochinese countries.

But M.R. [Mom Ratchawong — member of royal family] Thep Thewakun, Permanent Secretary for Foreign Affairs, who chaired last week's meeting in Phuket, said the lack of collective programmes would not damage ASEAN's attempts to bring the three nations into the group.

He suggested ASEAN members could launch their own strong programmes pitched in the same direction.

He said that because Thailand was a neighbour of the three countries, it felt it had to do more than others.

Thailand is offering training for Cambodian and Laotian officials to prepare them for ASEAN membership. The Banhan Sinlapa-acha Government is promoting close economic cooperation and investment with financial backup from the $200 million Indochina Fund and the Export-Import Bank.

Whatever each country chooses to do, M.R. Thep said it was more important for all ASEAN members to give assurances that they would not exploit the three countries' resources or try to dominate their economies.

"The bottom line is we have to show them our strong will," an official said.

ASEAN must show them it is ready to share prosperity with them, according to Sarasin Wiraphon, director-general of the America and South Pacific Affairs Department.

The group provides language and personnel training to the three countries and Vietnam. It also operates working trips in the region to help them learn "the ASEAN process".

ASEAN secretary-general Ajit Singh recently visited Vientiane to explain the "ASEAN way" and will sponsor four Laotian officials to train at the secretariat in Jakarta next month.

Cambodia and Laos made it clear at the ASEAN foreign ministers' meeting in Brunei that they wanted to join the organisation within two years.

Burma accepted the main condition of the group by acceding to the Treaty of Amity and Cooperation at the same event and has said it wants to be a member. However, ASEAN has refrained from granting Burma observer status pending improvements in that country's domestic situation.

Cambodian First Prime Minister Prince Norodom Ranariddh reaffirmed last month that his country will join ASEAN in two years, but Cambodian officials have admitted that the road to membership will not be easy.

One official said early this month the desire to join ASEAN remained, but he conceded his government needed time to train its officials and lacked funds for the 200 meetings held by the organization each year.

Burma will join when it feels it will benefit.

ASEAN is preparing the agenda for talks with Burma Cambodia and Laos, when they meet as part of the fifth summit on December 15 in Bangkok.

The leaders of Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam want to translate the summit theme "Toward One Southeast Asia" into concrete plans and convey them to their counterparts from the three countries.

Long- and short-term objectives need to be defined and action plans drawn up, especially in the development of a strong free economy in the region, according to ASEAN officials.

The December 14-15 summit will be an historic moment for the regional group, considered one of the most successful when for the first time since ASEAN's founding in 1967, the leaders of all 10 countries in Southeast Asia gather in one place to talk about their common future.

ASEAN leaders want to announce in their declaration that the next century will see the completion of their group.

"The chance for the three countries to join ASEAN by the year 2000 is very high," M.R. Thep said.

Mekong Nations To Fight AIDS Epidemic

BK2009042695 Bangkok THE NATION in English 20 Sep 95 p A6

[Report by Mali Traisawatdichai]

[FBIS Transcribed Text] Chiang Mai — The six countries bordering the Mekong River yesterday expressed a joint commitment to map out a plan to fight the HIV/Aids epidemic, which is now threatening ethnic minority groups living along mountainous border areas.

They said cross-border contact through migration among ethnic minorities and the trafficking of young ethnic women for the Thai sex trade would lead to an uncontrollable spread of the epidemic if no measures are formulated to combat the disease.

It is the first time experts from the national Aids prevention committees of the six Mekong countries — Burma, Cambodia, Laos, Thailand, Vietnam and

Yunnan province in China — have met to discuss regional collaboration to cope with the Aids epidemic.

The joint commitment, which would be further supported by Unicef and the Netherlands, was made in the symposium on "Hilltribes in the Mekong region, Development and HIV/Aids" as part of the International Conference on Aids in Asia and the Pacific, which ends tomorrow.

Dr Werasit Sitthitrai, deputy director of the Thai Red Cross Society's Aids Programme, said the other Mekong countries had a lot to share with Thailand — the hardest-hit country by the epidemic where Aids prevention education programmes are under way for hilltribe minorities.

"It is a big step for the region — how the countries can avoid being too late to cope with the epidemic," said Werasit.

In Thailand, which has a hilltribe population of 500,000, the major causes of the spread of HIV/Aids were intravenous drug use and unprotected sex, he said.

He said Aids prevention programmes have been initiated for hilltribes because it was evident that Aids hit ethnic minorities and the poor the hardest-and hilltribes were the poorest of the poor.

Stephen Umemoto, a Unicef representative based in Burma, expressed concern about the policies individual countries have imposed upon ethnic minorities in the fight against Aids. He said there was still a large problem in the attitude of many central governments in dealing with ethnic minorities.

"That's a problem. Thailand has developed so much, but there is still some way to go. In the US, 200 years have passed but indigenous people are still treated like a major problem," said Umemoto.

In China, an HIV/Aids epidemic is still a possibility. But the problem is still seen as a disease afflicting only ethnic minorities. The southern and western parts of Yunnan Province, including Xishuangbanna and Simao, have recorded the largest number of HIV/Aids cases.

"There are 1,393 HIV infected people and about 50 Aids cases. This is an underestimation because there has been no complete medical survey yet in China," said Hehe Cheng [name as published], vice director of the Yunnan Aids Prevention Centre.

"Yunnan is near the Golden Triangle. Most HIV infections are contracted from Burmese and Thais. The policy that has caused cross-border migration has led to the spread of the epidemic in Yunnan."

Kit Chai, an ethnic representative from Laos, said his country also needed an Aids prevention programme, although the disease was not prevalent in the country.

Public Works Ministers To Meet in Osaka 27 Sep

OW1909125695 Tokyo KYODO in English
1006 GMT 19 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 19 KYODO — Ministers in charge of public works projects from Asia-Pacific countries will meet in Osaka later this month to discuss problems concerning road construction, disaster prevention and international cooperation in these fields, Japanese Government officials said Tuesday [19 September].

The two-day conference from Sept. 27, sponsored by the Japanese Construction Ministry, will be attended by 23 officials from 16 countries and territories in the region, including the United States, China, South Korea and Hong Kong.

On the first day of the conference, Hyogo Gov. Toshitami Kaihara will deliver a speech on the Jan. 17 massive earthquake and the reconstruction work under way in Kobe and neighboring areas that were devastated by the quake, the officials said.

On the second day, Construction Minister Yoshiro Mori is expected to issue a statement at the closing of a plenary ministerial session.

Japan

DA To Return Last of Loaned Armaments to U.S.

OW2009090095 Tokyo KYODO in English
0815 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — The Defense Agency will return by 1999 all canons which the Self-Defense Forces (SDF) acquired free of charge from the U.S. military on their formation in 1954, agency officials said Wednesday [20 September].

The decision means that all major armaments held on loan from the United States since the birth of Japan's own postwar armed forces will be returned by the end of the century.

The officials said that of the main armaments supplied free of charge, those still in use in Japan are the Ground Self-Defense Force's 12 203-millimeter howitzers, 15 155-mm canons and 50 105-mm howitzers.

The most canons the GSDF had free of use at any one time was some 400 in 1984.

Other armaments the SDF used on this basis included small firearms, naval vessels and planes. They accounted for about 60 percent of SDF equipment at the time of its formation.

Locally made and licensed or imported armaments later replaced those on loan from the U.S. leaving the long-surviving canons as the last main items on the loan inventory.

The agency occasionally urged the Finance Ministry to replace the borrowed equipment, but the ministry's stock response was that the SDF should retain it as a cost-cutting measure.

A GSDF official noted that it at last has its own canons, but added that some small firearms, including machine guns, will still be held on loan even up to 2010.

"Complete independence is still some way off," the official said.

Murayama on U.S. Military, Rape Suspects

OW2009062695 Tokyo KYODO in English
0606 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Prime Minister Tomiichi Murayama said Wednesday [20 September] the U.S. Military in Okinawa should turn over to Japanese authorities three servicemen suspected of raping a Japanese schoolgirl.

"They should be handed over to us first of all," the prime minister told reporters.

Murayama, however, said this remark does not mean he thinks it necessary to review the Japan-U.S. Status-of-Forces Agreement, which allows the U.S. Military to hold the suspects until Japanese authorities indict them.

The Social Democratic Party (SDP) led by Murayama decided Wednesday to strongly urge the government to review the accord.

During a meeting of the decision-making Central Executive Committee, the party also decided to have the issue mentioned in a keynote report to be delivered by SDP Secretary General Wa[illegible]u Kubo at an extraordinary convention Thursday and to adopt a statement of protest, party officials said.

The Liberal Democratic Party (LDP), the largest of the three ruling coalition parties, held a meeting of its defense-related panels Wednesday and many participants were in favor of reviewing the status-of-forces pact, LDP officials said.

The government ruled out any review of the accord during a cabinet meeting Tuesday.

Chief Cabinet Secretary Koken Nosaka reiterated during a press conference Wednesday Japan does not intend to propose reviewing the pact.

Nosaka said Japan may take up the issue in future negotiations with the United States.

A U.S. sailor and two Marines stationed in Okinawa, suspected of abducting and raping a primary schoolgirl in a residential area of northern Okinawa on Sept. 4, are in U.S. military custody.

Editorial Questions Security Ties With U.S.

OW2009011195 Tokyo MAINICHI SHIMBUN
in Japanese 18 Sep 95 Morning Edition p 5

[Editorial: "Questions on New Security Agreements"]

[FBIS Translated Text] Japan and the United States are jointly working to redefine the significance of the Japan-U.S. Security Treaty. Achievements of the joint study on the need for maintenance and reinforcement of the bilateral security ties are expected to be announced as a joint communique when U.S. President Bill Clinton meets Prime Minister Tomiichi Murayama during his Japan trip in November.

In the joint study, Japanese and U.S. negotiators are preparing two new security agreements.

One is a renewal of a special agreement on Japan's larger burden- sharing of U.S. Forces Japan [USFJ] expenses.

Under the special agreement, the Japanese Government should assume responsibility for base pay and allowances for Japanese employees working on U.S. bases, as well as utility fees for official uses by USFJ. In fiscal 1995, the Japanese Government is going to spend 147.7 billion yen according to the agreement. Japan's subsidies to USFJ this year will total 271.4 billion yen, including facilities expenses subsidized according to the Japan-U.S. Status of Forces Agreement [SOFA], or the so-called sympathy budget.

The two nations have recently agreed on an extension of the special agreement expiring in the end of fiscal 1995 [31 March, 1996]. The new agreement will be signed at the Japan-U.S. ministerial security talks (or the so-called 2 + 2 talks) in New York on 27 September.

The extended agreement will include some additional expenses for Japan, such as removal of night landing practices (NLP) for U.S. ship-board planes to Iwo Island and a 400-men increase of Japanese employees on U.S. bases. To cover the new expenses, Japan will have to additionally pay over 3 billion yen per year.

The government noted the new agreement is the minimum cost for maintaining Japan-U.S. security ties. But there is room for question.

The burden-sharing for NLP removal is one of the questionable spendings. We are afraid that USFJ may eventually bring us all bills for exercises.

The government says "that will never happen because the Japanese Government will pay only for exercises removed upon its own request." Yet, some quarters note the subsidy for NLP may be regarded as use of collective security rights, which is prohibited by the constitution. We hope the Diet will thoroughly examine the new agreement in the next extraordinary Diet opening later this month.

Another focal point is a conclusion of the "acquisition and cross-servicing agreement (ACSA)" to allow the Self-Defense Forces [SDF] and USFJ to mutually provide fuel and other supplies.

At the Japan-U.S. defense summit in Honolulu early in September, Defense Agency head Eishiro Eto said he intends to conclude the ACSA as early as next spring, noting the Japanese Government will submit a revision bill of the SDF Law to the next ordinary Diet session.

Eto also said the ACSA may enable the SDF to take part in joint missions with U.S. Forces when Japan join UN peacekeeping operations.

The government has been saying the ACSA will carried out only in peacetime and during joint training with U.S. Forces. Eto's remarks apparently overstep the position of the government. It was understandable that the Cabinet Legislative Bureau warned the Eto remarks may be considered as use of collective security rights.

On 13 September, the Okinawa Prefectural Government requested a revision of SOFA in reaction to three U.S. soldiers raping an elementary school girl. Okinawan police found difficulties in investigation of the case because they could not arrest the rapists due to SOFA restrictions.

What is really needed is for Japan and the United States to discuss remedies for such "negative aspects" in a part of the redefinition of the Japan-U.S. Security Treaty.

Group To Survey, Seal Chemicals Left in China

OW1309065895 Tokyo KYODO in English
0553 GMT 13 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 13 KYODO — Japan will send a mission to China from Saturday to Oct. 1 to survey and seal chemical weapons left behind by the Japanese Imperial Army after World War II, the Foreign Ministry said Wednesday [13 September].

The mission will visit Heilongjiang, Jilin and Liaoning provinces to collect information on the amount and condition of the chemical weapons now in storage and seal them for safety, the ministry said.

The team, consisted of officials from the Foreign Ministry, the Defense Agency and the Japanese embassy in Beijing, will also hold talks with Chinese officials to discuss plans for future surveys.

China has said some two million poison gas shells were left in the country by the Japanese military at the end of the war.

Toyoda Urges Ending PRC Aid, Nuclear Test Link

OW2009010995 Tokyo KYODO in English
0003 GMT 20 Sep 95

[FBIS Transcribed Text] Beijing, Sept. 20 KYODO — The head of Japan's largest business group has called on the Japanese Government to end its policy of linking its aid disbursement to China's stance on nuclear testing.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), told a news conference at a Beijing hotel Tuesday [19 September] night Japan "should help the Japanese and Chinese economies develop and complement each other without linking nuclear tests to the aid issue, whether China may conduct such tests in the future or not."

The Japanese Government has frozen grant disbursements to Beijing to protest a recent series of nuclear tests and in line with its long-avowed policy of making aid contingent upon a recipient's readiness to halt development of weapons of mass destruction.

Toyoda, concurrently chairman of Toyota Motor Corp., also said, "although I am not in a position to complain about the diplomatic policy of freezing grants, the two countries should stop actions that might lead to destroying the relations of Japan and China that are pushing their long-term cooperation."

Toyoda is now in China as leading adviser to a delegation organized by the Japan-China association on economy and trade which is currently visiting China. The mission is led by Ryoichi Kawai, an adviser to Komatsu ltd. Kawai also accompanied Toyoda to the news conference.

During the current visit, the delegation faced a barrage of criticism from Chinese officials, who blasted Japan for linking its aid policy to the Chinese nuclear experiments.

On Monday, Toyoda told officials of China's state planning commission the Japanese business community is willing to help China construct the massive three gorges dam on the Chang Jiang river — an estimated 3 trillion yen project to build a reservoir for the world's largest hydroelectric power plant, to meet the electricity needs of central and eastern China.

Li Teng-hui's Understanding on APEC Sought

OW1609144195 Tokyo YOMIURI SHIMBUN in Japanese 14 Sep 95 Morning Edition p 3

[FBIS Translated Text] Chief Cabinet Secretary Koken Nosaka clearly stated on 13 September that the government will not approve the attendance of officials higher than deputy premier from Taiwan at the Asia-Pacific Economic Cooperation [APEC] informal summit to be held during an APEC forum slated to be held in Osaka in November. In response, Masakuni Murakami, secretary general of the ruling Liberal Democratic Party [LDP] in the House of Councilors, and a pro-Taiwan politician (a senior member of Japan-Taiwan Parliamentary Council in the LDP), will make a private visit to Taiwan on 20 September. During his private visit to Taiwan, he will meet with President Li Teng-hui to seek understanding from the Taiwanese president by briefing him on Japan's view on the representation of Taiwan at the informal summit. Japan adheres to the basic foreign policy of "one China" and has no diplomatic relations with Taiwan. For these reasons, the government takes the position that it cannot approve any attendance of not only President Li Teng-hui, but Deputy Premier Hsu Li-te at the informal summit.

In contrast, Taiwan still sticks to its demand that President Li Teng-hui attend the informal summit, and a LDP source said: "The present situation is that if Taiwan refuses to budge from its demand, it would be difficult for Taiwan to even attend the APEC forum." The prevailing view within the government is that Taiwan will ultimately back down from its demand after being persuaded by Japan. The government will convey Japan's intent to Taiwan through Murakami whose visit to Taiwan will be private since Japan has no diplomatic relations with that country.

The government plans to send other legislators from ruling parties to Taiwan in a bid to seek understanding from Taiwan depending on how Taiwan reacts to the government's plan to disapprove the attendance of either President Li Teng-hui or Deputy Premier Hsu Te-li at the informal summit.

On 13 September, Murakami met with Foreign Minister Kono following a meeting with Chief Cabinet Secretary Nosaka. During the meeting, Murakami said, "We should courteously explain to Taiwan Japan's position in order to seek understanding from Taiwan."

The idea is surfacing that if Deputy Premier Hsu is not allowed to attend the informal summit, Wu Po-hsung, former Minister of the interior and secretary general of the Presidential Office (the equivalent of chief cabinet secretary in Japan) would attend in his place.

Tokyo Announces Y14.2 Million Economic Package

OW2009042195 Tokyo KYODO in English 0349 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — The government adopted yet another package of economy-spurring measures, worth 14.2 trillion yen [Y], in a desperate effort Wednesday [20 September] to get the economy on track to a steady recovery from its longest and deepest slump in postwar history.

It is effectively the largest-ever economic stimulus package, since the former champ, a 15.3 trillion yen program unveiled in February 1994, included special income and residential tax cuts worth 5.9 trillion yen.

Among other stimulus packages adopted in the current round of economic downturn were 6.2 trillion yen worth of steps in September 1993, 13.2 trillion yen in April 1993 and 10.7 trillion yen in August 1992.

With an eye to expanding domestic demand for goods and services, the package promises real public works outlays of some 8.1 trillion yen as its main pillar.

The expenditures include 3.9 trillion yen for general public works projects, 1.4 trillion yen for reconstruction of areas hit by a massive earthquake in January and 1.1 trillion yen to protect domestic farmers from intensifying competition in global agricultural trade.

The spending, to be financed by a second supplementary budget for fiscal 1995, which ends next March 31, will also be the largest fiscal medicine ever prescribed in the form of an extra budget to cure Japan's economic ills.

The real extra spending of some 8.1 trillion yen is likely to boost Japan's Gross Domestic Product (GDP) — The total output of a nation's goods and services produced within its borders — by approximately 2 percentage points, one year after its implementation, a finance ministry official said.

Wednesday's stimulus package, the seventh of its kind since August 1992, is intended to break Japan's three-year cycle of near- zero economic growth.

Despite some bright spots, such as the yen's slide off its highs against the U.S. dollar and rebounding stock prices, the Japanese economy shows little sign of revving up soon.

The economic planning agency acknowledged in its monthly economic assessment report that the economy was "moving on a weak note," deleting the word "recovery" for the first time in 13 months.

As another key measure to boost domestic demand, the new pump- priming package contains additional public works spending by local governments worth 1.0 trillion yen.

To increase construction of housing by 30,000 units to 660,000, the package declares that the government's Housing Loan Corp. will receive an additional 520 billion yen in loans.

It is strongly hoped that these aggressive fiscal measures, combined with the bank of Japan's recent slashing of its key lending rate to commercial banks by half a percentage point, to an all-time low of 0.5 percent, will help the economy come back as quickly as possible.

"I believe these steps, if implemented steadily, will help the economy pick up sometime next year," said an official of the Ministry of International Trade and Industry.

The government is scheduled to present, on Oct. 5, the proposal for the second supplementary budget, expected to total 4.7 trillion yen, for early parliamentary approval.

The new package also includes steps to help resurrect the country's moribund property market, which has been a major damper on the economy.

It calls for allocation of 2.7 trillion yen for land purchases by central and local governments for future public use as a measure to improve liquidity in land transactions.

The step is expected to aid Japan's financial institutions, which are burdened with bad loans of at least 40 trillion yen, for which they hold land as collateral.

The banks lent heavily to real estate operators during the nation's high-flying "bubble economy" of the late 1980s when land and stock prices soared. Their woes, stemming from the burst of the bubble in the early 1990s, are smothering business confidence and may be causing a credit squeeze for some borrowers.

The economic support package also vows to loosen conditions for land acquisition by a construction ministry-affiliated concern promoting urban development, so as to encourage its purchase of sites for development.

But it does not contain any measure to ease the taxation on land transactions, such as landholding and real estate acquisition taxes.

To further support the stock market, the new program promises a freeze, until March 31, 1999, in taxation on unrealized dividends stemming from companies' buy backs of their own shares.

When a company repurchases its own shares, the value of the remaining shares increases. This is currently looked upon as a "presumed" dividend to shareholders, imposing a heavy tax burden on institutional investors and making them reluctant to buy back their own shares.

Other measures in the latest package include spending for the promotion of scientific and technological development, information and telecommunications, and antidisaster projects, as well as assistance for smaller firms and new industries.

Murayama Expects New Economic Vista

OW2009050795 Tokyo KYODO in English
0441 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Prime Minister Tomiichi Murayama said Wednesday [20 September] that the government's new pump-priming package will contribute to pulling the nation's economy out of its longest and deepest downturn in postwar history.

"I am sure the implementation of these necessary measures will open a new vista for the economy," the premier told reporters at his official residence.

The new program, the third by Murayama's cabinet, is worth 14.2 trillion yen and is in effect Japan's largest stimulus package ever. It contains steps to spur domestic demand, pump public money into land transactions and restructure the nation's economy.

Touching on the banking industry's mess, the premier said the government is trying to allay concerns of depositors about their investments.

He also expressed hope that a comprehensive policy on how to cope with the bad loans on the books of the nation's financial institutions will be drawn up by the end of the year and get the economy growing faster.

EPA Head: 2.8 Growth 'Difficult'

OW2009060395 Tokyo KYODO in English
0552 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Japan's top economic planner said Wednesday [20 September] it would be difficult for the government to attain its 2.8 percent growth target for fiscal 1995 despite the just-unveiled pump-priming package.

Isamu Miyazaki, head of the Economic Planning Agency (EPA), said, however, that the 14.2 trillion yen package announced by the government earlier in the day will help boost the nation's gross domestic product by 2.0 percent.

He told a news conference after a meeting of cabinet ministers concerned with economic affairs that the government will implement a series of monetary steps to revive the economy, such as formulation of a medium-term economic plan and measures to help financial institutions dispose of bad debts.

The government has no immediate plan to implement an additional package of pump-priming measures, he added.

LDP Commends Package

OW2009051095 Tokyo KYODO in English
0450 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — The dominant coalition partner Liberal Democratic Party (LDP) on Wednesday [20 September] commended the government's 14.2 trillion yen package of newly unveiled pump-priming steps, describing it as "very large."

LDP Executive Council chairman Kabun Muto said, "as for the figure, the government put together a very large package in comparison with the scale of a preceding series of supplementary budgets designed to boost the economy."

Hiroshi Mitsuzuka, secretary general of the LDP, the largest party in the three-party coalition of Prime Minister Tomiichi Murayama, also lauded the package.

However, in a hurriedly called meeting of the Executive Council, a member said, "we wanted to be given a little bit more time to discuss the package."

"It was assembled as if it were done on a conveyor-belt, as the timing of a meeting of cabinet ministers in charge of economic policy was firmly set beforehand," the member said.

Another member said, "we should have announced drastic measures only after the party had selected a new president," referring to a vote slated for Friday to choose the successor to outgoing LDP President Yohei Kono, who is also foreign minister.

NFP Casts Doubt About Effect

OW2009051295 Tokyo KYODO in English
0448 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — The leading oppposition party New Frontier Party [NFP] (Shinshinto) on Wednesday [20 September] questioned whether the newly unveiled package of stimulatory steps can prevent the economy from falling into a recessionary tailspin.

"The worst scenario of the economy's remaining in a chronic recession is in the process of coming true," said Shinshinto Deputy Head Takashi Yonezawa, who is in charge of economic affairs in the party's shadow cabinet.

Takeo Nishioka, another shadow cabinet minister, also told reporters, "It is misleading in the eyes of the public for the government to announce a big make-believe figure as the project size (of the package)."

The government "should clearly tell how much they are going to spend as actual fiscal expenditures from the national coffers," he said.

Business Leaders Support Measures

OW2009043195 Tokyo KYODO in English
0401 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Business leaders Wednesday [20 September] welcomed a new 14 trillion yen economic-stimulus package adopted by the government earlier in the day.

Shoichiro Toyoda, chairman of the powerful Federation of Economic Organizations (Keidanren), said the government has taken what he called "bold measures."

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry (Nissho), said, "the package demonstrates the government's resolve to put the economy back on a steady recovery path" from its longest downturn in postwar history.

He gave particularly high marks to the allocation of about 8 trillion yen as direct outlays for public-works projects, designed to boost domestic demand.

"Effective impact" on the sagging economy is expected, Inaba said, as a result of the additional expenditure, which is aimed primarily at boosting growth in Gross Domestic Product (GDP), a measure of the total output of goods and services produced in a country.

Inaba sought early enactment of a second supplementary budget for fiscal 1995, which started in April, due to be submitted to an extraordinary Diet session Oct. 5.

Toyoda, who also serves as chairman of Toyota Motor Corp., urged the government to implement sweeping reform of the nation's taxation system.

Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), said it is "indispensable" for the government to carry out "with a firm determination" structural reforms of the economy, and to open domestic markets wider and expand domestic demand.

Tokyo To Prepare Y200 Billion Bond Package

OW2009060795 Tokyo KYODO in English
0529 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Finance Minister Masayoshi Takemura said Wednesday [20 September] that the government will issue deficit-covering bonds of some 200 billion yen [Y] to help finance a newly adopted pump-priming package.

"Despite our severe fiscal conditions, we cannot help issuing government bonds, including deficit-financing ones," Takemura said at a news conference after a cabinet meeting on the 14.22 trillion yen package.

Takemura expressed his hopes that the package will start having a positive effect on the ailing economy during the second half of fiscal 1995.

"Basically, economic stimulus measures in the package are intended for the last half of this fiscal year, though some may take one year or so to generate effects," he said.

The government decided on the largest package ever to help the nation's economy get back on a steady recovery trend from its longest and deepest slump in postwar history.

Takemura said he hopes that steps in the package to promote effective use of land will have desirable effects on the lackluster real estate sector.

He added, however, such steps are not directly designed to help dispose of nonperforming loans held by Japanese financial institutions.

The disposal of bad loans is one of the biggest problems weighing on the Japanese economy.

Ministry Drawing Up Plan for Hyogo Takeover

OW2009075595 Tokyo KYODO in English
0639 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — The Finance Ministry asked 20 major commercial banks Wednesday [20 September] to contribute 26 billion yen to the establishment of a new bank which will take over operations of the bankrupt Hyogo Bank, ministry sources said.

The sources said the ministry plan calls for the inauguration of a new bank with 80 billion yen contributed by major commercial banks, regional banks, life and nonlife insurance companies and economic organizations in the Kobe-Osaka area.

The 20 major banks, including trust banks and long-term credit banks, were asked to provide 26 billion yen, they said.

The ministry will ask second-tier regional banks and insurance companies to contribute 20 billion yen each while local business groups will be requested to put up the remainder, they said.

The Kobe-based bank, one of the leading regional banks, went under last month with heavy debts left over from the burst bubble economy in the late 1980s.

The sources said the ministry summoned representatives of the 20 major banks Wednesday morning to show its plan.

They said the ministry hopes that nine major banks will provide 22 billion yen and that the other 11 will supply the remaining 4 billion yen.

The nine banks include Sumitomo Bank, a major investor in Hyogo Bank, they said.

FSX Prototype Completes First Runway Test

OW1509144195 Tokyo MAINICHI SHIMBUN in Japanese 13 Sep 95 Morning Edition p 26

[FBIS Translated Text] Runway tests using the FSX, the Self-Defense Forces' [SDF] next-generation support fighter, were resumed on 12 September at the Air SDF's Komaki Base in Komaki City, Aichi Prefecture. For the first time, a prototype FSX successfully rolled down the runway under its own power.

Initially, a runway test was scheduled on 31 August but problems with the plane's air conditioning system forced the test to be suspended. As a result, the plane never left the apron for the runway. Mitsubishi Heavy Industries, which is in charge of developing the FSX, later reexamined the plane's airframe and rescheduled the test. With its engine revved up, the FSX cruised half the length of the runway at low speeds around 50 km per hour. The test lasted about 20 minutes.

Murayama Returns From Middle East Tour

OW1909090895 Tokyo KYODO in English 0830 GMT 19 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 19 KYODO — Prime Minister Tomiichi Murayama returned home Tuesday [19 September] from an eight-day Middle East tour.

Murayama visited Saudi Arabia, Egypt, Syria, Israel and Jordan and had talks with leaders of the countries as well as Palestine Liberation Organization leader Yasir 'Arafat.

SDPJ Leaders Approve New Party Policy Report

OW2009044095 Tokyo KYODO in English 0258 GMT 20 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 20 KYODO — Leaders of the Social Democratic Party (SDP) [of Japan, SDPJ] on Wednesday [20 September] morning approved a policy report recommending the creation of a new party to replace the SDP chaired by Prime Minister Tomiichi Murayama.

At a meeting of the party's policy-making central executive committee, SDP leaders endorsed the report, which called on national and local "liberal and social democratic" politicians and supporters to join forces to form a new party by late October.

SDP Secretary General Watru Kubo will present the new party policy report to an extraordinary SDP convention Thursday.

Kubo said Tuesday he does not foresee any immediate need for the government to change hands even when the new party is formed.

Murayama heads the ruling coalition of the SDP, the Liberal Democratic Party and New Party Sakigake [Harbinger].

Kono's Resignation as Foreign Minister Rumored

OW1909072795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Sep 95 Morning Edition p 2

[FBIS Translated Text] Attention is being focused on whether Yohei Kono, deputy prime minister and foreign minister, who has given up running for the Liberal Democratic Party [LDP] presidency, will remain at his post. It is widely rumored within the LDP that he "may resign as foreign minister before 30 September when his party presidency expires." If Kono resigns, Ryutaro Hashimoto, minister of international trade and industry — who is certain to become the next LDP president — may replace Kono as foreign minister; or LDP Vice President Keizo Obuchi may be invited to assume the post. If Kono resigns as foreign minister, it will likely have a slight effect on the future of the Tomiichi Murayama administration, based on close relations among Prime Minister Murayama (chairman of the Social Democratic Party of Japan), Kono, and Finance Minister Masayoshi Takemura (New Party Sakigake representative).

Kono is scheduled to leave for New York on 25 September to attend a UN General Assembly session and to return home on the afternoon of 28 September. An extra Diet session is scheduled for 29 September. Given this situation, the most likely scenario is that he will "attend the UN General Assembly session to adorn the last days of his career" as foreign minister and will announce his resignation "immediately after he returns home from New York on 28 September."

After Kono announced his withdrawal from the LDP presidential race, he agreed to Prime Minister Murayama's request that he stay in office. However, since then he has remained silent about his resignation. Behind the emergence of speculations about Kono's resignation are the following conditions: 1) on forming the three- party coalition administration in June 1994, it was agreed that LDP and Sakigake chairmen would fill the posts of foreign minister and finance minister respectively; and 2) even if Kono remains in the office of foreign minister, he will have to yield the deputy prime minister's post to Hashimoto, which means humiliation to Kono.y

If Kono offers his resignation as foreign minister, Prime Minister Murayama may try to persuade him to stay in office, because it has not been long since the cabinet reshuffle and because the Osaka conference of the Asia-Pacific Economic Cooperation (APEC) forum is set for mid-November.

Since Kono's aides have noted "he does not want to remain in the foreign minister's post," the prevailing view is that even if the prime minister asks Kono to stay, he is unlikely to agree.

To replace Kono if he resigns, Hashimoto, who has long been eager to get involved in diplomatic affairs, will be shifted to the foreign minister's post; or Obuchi, whose post as LDP vice president is uncertain after the change of party president, will be invited to the cabinet to assume the post. Depending on the new officials named by the Hashimoto leadership, a new candidate for the foreign minister's post may emerge.

Finance Minister Takemura's moves will likely draw attention as well. It is not known whether Takemura will resign now, when deliberations on the second supplementary budget for fiscal 1995 are scheduled to start soon. However, some maintain that he "will be forced to take some responsibility" for a series of scandals involving senior Finance Ministry officials, (according to a senior LDP member). If Kono resigns, there is a possibility that a long-standing call by some Sakigake members for Takemura to concentrate on his duties as party head may gain upper hand again; and this situation could develop into a "large cabinet reshuffle," including a change of finance minister.

Hashimoto 'Eager' To Cooperate With Coalition

OW1809135495 Tokyo KYODO in English 1237 GMT 18 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 18 KYODO — International Trade and Industry Minister Ryutaro Hashimoto said Monday [18 September] he is eager to cooperate with other ruling coalition leaders if elected president of the Liberal Democratic Party (LDP) later this week.

Hashimoto said in an interview with KYODO NEWS SERVICE he will meet the heads of the two other coalition parties — Prime Minister Tomiichi Murayama of the Social Democratic Party (SDP) and Finance Minister Masayoshi Takemura of New Party Sakigake [Harbinger] — to discuss political issues if he takes over the LDP and is called on to join such discussions.

Hashimoto is likely to beat his only rival, former Posts and Telecommunications Minister Junichiro Koizumi, in the Sept. 22 LDP leadership election. Incumbent LDP President Yohei Kono, who is foreign minister and deputy prime minister, withdrew from the race earlier.

The trade minister also pledged to give top LDP posts to "suitable" members regardless of their faction to establish a party that can win the next election of the House of Representatives.

However, he declined to say whether he would place supporters of Koizumi in senior posts. The minister also said he could not predict when the general election is likely to be held.

Hashimoto expressed concern over whether a government pump- priming package, to be announced on Wednesday, could stabilize foreign exchange rates.

He also said the Diet should expedite the passing of a second extraordinary budget to spur the economy in an extraordinary session to be convened later this month.

He was positive about issuing deficit-covering bonds, saying such an issuance would clearly "show overseas markets that we are making efforts to effectively reduce the current surplus."

The minister criticized Koizumi's controversial plan to privatize the posts ministry's postal, savings and life insurance operations, saying "he should not take a self-righteous attitude."

Caliber of Ryutaro Hashimoto Questioned

952B0221A Tokyo GENDAI in Japanese Sep 95 pp 96-106

[Article by Takafumi Takeishi, political journalist]

[FBIS Translated Text] **Hashimoto has played key role in the "Major Upheaval of the Liberal Democratic Party (LDP)," sparked by the party's defeat in the House of Councillor elections**

Able Lone-Wolf Politician

"I dislike either being asked or answering such questions."

When Minister of International Trade and Industry Ryutaro Hashimoto was presenting a summary of the Japan-U.S. auto talks in an affable manner, the minute this writer posed the question of his relationship with politicians of the New Frontier Party [Shinshinto] who were former members of the Takeshita faction, his eyes reflected a sudden change in disposition and his facial expression rapidly reflected anger. Even his manner of speech accelerated and reflected edginess. His displeasure is promptly expressed in his countenance, and if interpreted favorably, reflects his frankness, while if taken critically, is demonstrative of his short-fused disposition. This momentary episode illustrated Hashimoto's temperament and the political situation which envelopes Hashimoto.

The House of Councillor election has been completed and the political situation is focused on who will become the next LDP president. Needless to say, if the current government framework comprising the LDP, Social Democratic Party of Japan (SDPJ), and Sakigake Party continues, the individual with the highest potential of becoming prime minister after Murayama will be the LDP president. If the situation is allowed to take its natural course, current President Yohei Kono would become the next prime minister, but such an outcome is premised on the fact that he is the LDP president when Murayama leaves office. However, in the upper house elections the LDP was able to win only 46 seats and in the proportional electoral districts the New Frontier Party excelled over the LDP by a margin of more than 1.4 million votes, leading to talk of a change in LDP president and making his reelection a questionable matter.

On the other hand, a movement is spreading to support Hashimoto whose public popularity exceeds that of Kono and whose experience as a member of the cabinet is extensive. Playing a central role in that movement are members of the former Obuchi faction, and the poor election results have led to "talk" among other groups "of placing their future in the hands of Hashimoto," as a means of assuring victory in the next general election. Further, politicians of the former Takeshita faction even within the opposition New Frontier Party are unabashedly calling for Hashimoto's candidacy, anticipating a possible change in the government's political framework.

Hashimoto himself has never displayed an unequivocal desire to assume government leadership. However, his tough negotiator stance displayed during the Japan-U.S. auto talks was interpreted in Japan as well as the United States as "performance aimed at demonstrating qualifications for the next prime minister." He is praised as "capable" and a "policy expert" on the one hand but criticized as a "lone wolf" and "self-conceited" on the other hand. Hashimoto at age 58 has been reelected 11 times and has reached a mature stage as a politician, but one wonders if he is adequately qualified to assume stewardship of Japan as it is troubled by difficult issues such as the prolonged recession and unstable political situation.

Tough Negotiations With Kantor

On 28 June in connection with the Japan-U.S. automotive negotiations, the United States had designated this date as the deadline for implementing sanctions against Japan, and Hashimoto was located at the U.S. Trade Representatives (USTR) Office in Geneva, while concerned U.S., in fact, worldwide sources focused their attention on the negotiations. Negotiations on the final day began at 0845 local time (1545 Japan time).

On the evening on the prior day, Hashimoto called for an emergency meeting of officials in the Japanese Government representative's office. This conference was a so-called "top-level meeting" which would determine the course of the negotiations.

"Are you gentlemen determined to bring the negotiations to a successful close?"

These words by Hashimoto reflected the same question cast upon Hashimoto himself by the Japanese public. Modus operandi deployed by Hashimoto and the MITI bureaucrats calling for logic and thoroughness in negotiations with the United States were favorably viewed as the "state of renewed Japan-U.S. negotiations," but the Ministry of Foreign Affairs, LDP, and industrial sector were skeptical and displeased, feeling, "If the negotiations break down and sanctions are imposed, Japan-U.S. relations will be ruined." "If Japan appeals to the World Trade Organization (WTO), it may win its case. However, the United States will probably not remain silent. We will probably face a situation where we win the battle but lose the war.'"

As the Japanese observed the series of talks, images of Hashimoto were accompanied by the moniker, "Fighting Ryutaro," and the feeling that he might be unnecessarily irritating the U.S. representatives. Skepticism over the situation was magnified by the fact that crucial phases of the negotiations were handled exclusively by Hashimoto and Kantor with only the interpreter present.

USTR Mickey Kantor is an attorney. Hashimoto has a habit of daunting his opponents with verbal attacks based on logic and is disliked among fellow parliamentarians. In secular Japanese society, debates are conducted so that the opponent is afforded an escape hatch, but Hashimoto deprives opponents of any retreat route and decimates them while holding them down at a dead end. And, he is never satisfied unless a distinction is made between right and wrong. Hashimoto's methods and personality—which are shunned in the political world where subdued, empirical accomplishments are treated as being noble—may have been suitable for negotiations with Kantor, but it is also fact that they inspired the fear that a slight mistake could have been destructive to Japan-U.S. relations. MITI sources went so far as to express the sentiment that the negotiations were "tantamount to court proceedings."

In any event, when asked by Hashimoto if they wished to bring the negotiations to a successful conclusion, there were no MITI bureaucrats who denied that goal. Upon confirming there were no objections to that goal, he continued, "Kantor has expressed a desire to see the details of Japanese automotive manufacturers' global vision (overseas operating plans)'. I would like to hear your opinion on the advisability of providing him with that information when it is not yet known as to whether we can reach an agreement."

Global vision encompassed independent operating plans of the five Japanese automotive manufacturers such as Toyota and Nissan. Those plans included each firm's projections of units to be produced in North America along with plans for expansion of foreign auto parts procurement.

Hashimoto's question was greeted with opinions for and against the release of the information from MITI bureaucrats. Hashimoto used their statements as the basis for making a decision, saying, "Doing so may lead to a breakdown in the negotiations, but I will present Kantor with the requested information."

"The Negotiations Were Successful Only Because Hashimoto Was Involved"

During the talks on the 28th, Hashimoto presented the summary of the global vision. As a result, Hashimoto's "gamble" proved successful, and when Hashimoto and Kantor arrived at the conferees room at 1600, both officials wore smiles on their faces which signaled an "agreement had been reached on the negotiations." However, a verbal struggle ensued:

Kantor: "Now, by the way, Ryu, will you withdraw your appeal to the WTO in exchange for our not imposing 301 provisions?"

As the negotiations were held, Hashimoto came to call Kantor "Mickey" and Kantor came to call Hashimoto "Ryu." In response to Mickey's request, Ryu answered without going through the interpreter by saying, "No."

Kantor turned pale when he heard this response and said, "Ryu. We are supposed to be friends."

Hashimoto retorted, "The situation has already had an impact on auto exports" and gestured with his eyes that they should return to Kantor's office where talks were previously held. The two returned to the office for a 20-minute conference and at 1630 returned to the room where the conferees were gathered, where Kantor said: "We will not enforce 301 provisions."

Hashimoto said, "We will withdraw our appeal to the WTO."

Under normal conditions, the negotiations would have been settled at this point, but Hashimoto is different. He positioned himself in relation to Kantor and fired his last missile: "Can you promise that 301 provisions will never be exercised in the future?"

Kantor was momentarily lost for words, and the best he could say was, "As long as I hold this position, we can make that promise." Although in violation of WTO rules, there is no way that a U.S. cabinet officer can promise 301 provisions, stipulated in U.S. domestic law, will "never be enforced." Hashimoto asked the question well aware of that fact, but the question was typical of an arrogant Hashimoto.

It was in this manner that difficult negotiations, which were viewed as a situation in which Japan-U.S. relations had the potential of being shattered, came to a successful close. A high government official who was briefed in detail on the talks provided his assessment by saying, "There is no other politician who can conduct negotiations among politicians in the absence of bureaucrats. I get the feeling that it has been a long time coming that I have been privileged to witness diplomacy. The negotiations were successful only because Hashimoto was involved."

Within the LDP, there are those who sarcastically mumble about Hashimoto's negotiating stance and the September LDP presidential election by saying, "From beginning to end, those negotiations were designed for Hashimoto, by Hashimoto, and to benefit Hashimoto." However, in the end, politics are a matter of "accountability for results" and no one can deny that Hashimoto was the one who brought the negotiations to a successful conclusion.

Shunned Because of His Argumentative Nature

A detailed examination of the recent Japan-U.S. automotive negotiations provides a vivid picture of the temperament of "Ryutaro Hashimoto as a politician."

First, he has a logical mind and is able to assimilate and debate detailed theory constructed by bureaucrats with equal mental agility. Even during negotiations with Kantor, he pursued logic to the very end. It can be said that Hashimoto's mental capacity equals the theoretical mental circuitry possessed by bureaucrats. Such qualities are expected among politicians who are ex-bureaucrats, but they are unusual among "career politicians" like Hashimoto. At one time, former Prime Minister Noboru Takeshita marveled at Hashimoto's capabilities by saying, "I would say that Hashimoto and Mutsuki Kato are the only ones that are more versed in government administration than I."

Hashimoto inherited his parliamentary seat from his father, Ryugo (who served in cabinet positions such as Minister of Health and Welfare), and upon his initial appointment as a Diet member, he applied himself assiduously in mastering the details of the Ministry of Health and Welfare. There is an anecdote that in his LDP Administrative and Fiscal Policy Research Committee chairmanship days, he mastered the formula for establishing personnel ceilings, which is said to be fathomable only to a few bureaucrats of the Management and Coordination Agency, and triumphed in an argument with bureaucrats.

In this respect, Hashimoto contrasts with his rival, Deputy Prime Minister and Minister of Foreign Affairs Yohei Kono, with whom he competes for the position of LDP president. Legislation in which Hashimoto was involved are numerous like a galaxy of stars, while Kono can take credit for almost no legislation.

However, everyone is endowed with both advantages and disadvantages. The fact that he is logical can also mean that he is argumentative. According to the "New List of Prefectural Who's Who" (published by ASAHI SHIMBUN), the passage which describes the human characteristics of natives of Okayama Prefecture, which is Hashimoto's electoral district, states, "Okayama natives have an established reputation of being argumentative. There was a native of Okayama Prefecture, who was serving as an official in a government agency and who in retort to the remark, Yes, but he is polemical (in connection with a discussion on personnel reassignments),' eloquently articulated for two hours that the individual concerned was not contentious."

Hashimoto is a "Native of Tokyo" both on the basis of birth and upbringing, but his temperament is typical of an Okayama native. However, the fact that he is profuse in his logic tends to be a negative in his relations with other politicians. Even former Takeshita faction fellow member Hajime Funada (currently of the New Frontier Party) expresses his annoyance in saying, "Hashimoto was senior to me in school (Keio University) and in terms of political capabilities, I rank him one or two notches above myself; however, he tends to be too detailed. He is also argumentative. He tends to make a display of his accomplishments and knowledge."

Such impressions are not peculiar to Funada but rather common among most Diet members. Even Seiroku Kajiyama, former LDP secretary general, who is preparing a plan to support Hashimoto, critically comments, "Ryu should exercise care so as to not to display his knowledge ostentatiously. He has a habit of responding with a 20-word discourse, whenever he is presented with a 10-word remark."

Hashimoto is also self-conceited. During an interview, when he was asked if he felt pressured by public opinion in Japan that sought early political resolution of the automotive negotiations, he retorted, "I must apologize, but I disregarded all "static" and used my mental faculties solely for the purpose of reaching a settlement. Accordingly, my mind was totally devoid of what others were saying. Failing to do so would have precluded me from reaching a settlement. If one undertakes a mission seriously, static falls on deaf ears." He treats criticism as static and shuts them out of his mental process. When Hashimoto deals with an issue, he immerses himself completely and becomes oblivious to surrounding circumstances and the feelings of others. At a press conference at MITI, immediately following his return from Japan-U.S. automotive negotiations, a reporter asked, "Will the settlement of the negotiations have a bearing on boosting the political standing of the minister of international trade and industry?" Hashimoto replied, "Let us close the meeting if we are going to ask such questions," and promptly departed from the conference.

Even when he attended a session of TBS's "News 23," just before departing for the Halifax Summit, when newscaster Tetsuya Chikushi began to ask, "Is it not a case where participants in the automotive talks on both the Japanese and U.S. sides must consider domestic public opinion. Frankly speaking, in the case of Hashimoto, such considerations would include his candidacy for prime minister and party president..," but before Chikushi could finish, Hashimoto interrupted and bluntly expressed his displeasure by saying, "Oh! I'm upset. I really feel annoyed when I hear such stories. If that is the type of story we are going to cover, I'm ready to be substituted. Let's make arrangements for me to be substituted by someone who will entertain such thoughts."

Differences in Comparison to Ozawa

Being self-conceited can also mean that a person is egoistic. There is no effort made to consider those around him and to restrain himself. In this respect, there is similarity with Ozawa who refuses to respond to telephone calls from fellow politicians and create situation where no one is able to contact him. If there is a difference between the two, it is accurately described by Kenzo Muraoka (of the former LDP Obuchi faction) who states, "When he is upset, Ozawa quietly hangs up the telephone. Hashimoto is somewhat better in this respect because he clearly voices his objection." Muraoka once was an admirer of Ozawa, but he has been distanced by Ozawa and is now playing a central role in support of Hashimoto.

Contrary to the impression of Hashimoto being heartless, he is sanguine in both a good and bad sense. He is fast at becoming emotional and combative. Hashimoto explains himself by saying, "There were those who would ridicule me in my boyhood days just because my father had problems with his legs, causing me to engage in altercations more than I would have liked. Additionally, I may have been adversely affected by temporary dislocations during the war. People who were dislocated during the war should have memories of difficulties in assimilating at the temporary relocation areas. Especially different in my case was that I was not part of an organized relocation program, but temporarily placed with relatives in the countryside where I transferred to a new school as an individual student. I promptly engaged myself in brawls with the local boys, but it was a case where survival was dependent upon my combative spirit."

Shortcomings of Tokyo Types

On the other hand, Hashimoto is tenderhearted. Hashimoto contributed an article published in the cultural column of the NIHON KEIZAI SHIMBUN on 12 July in which he recalls an episode during the automotive negotiations at which he was told by Kantor that he had just lost his son in a traffic accident, writing, "Even to this day, there is an image affixed to the inner chamber of my mind wherein I visualize "father Kantor's" sad expression reflective of his deep-seated sorrow of having lost a loved one."

Joji Abe, a writer who was a classmate at Azabu Middle School, explains this facet of Hashimoto's personality by commenting, "I was expelled from middle school in my third year for going astray, but Hashimoto made a distinction between himself and us truants. However, it was not a case where he would shun us or try to curry favor with us, but a case where he clearly defined his position in relation to us. For better or worse, he was the son of a good family. He was not a very large individual, but he was not afraid to stand on his two feet and assume a combative stance. And, as a politician, it would seem to be a disadvantage, but he goes to extremes in making a distinction between right and wrong. That is a characteristic typical of all Tokyo types, but politicians from rural areas are in the majority and he is from Tokyo. That causes him to be isolated from the majority."

People are multifaceted and any single facet can function as an advantage or disadvantage. As an example, Hashimoto's contentious temperament worked to his advantage in his negotiations with Kantor but works to his disadvantage in the political world. Further, being sanguine, he is quick in becoming emotional and there are more than just a few parliamentarians who have been mercilessly browbeaten by Hashimoto. In such cases, people disregard the Hashimoto who becomes maudlin enough to shed tears at a meeting of former parliamentarians who failed to win reelection.

However, when it comes to Hashimoto, many in the political world choose to view his temperamental deficiencies. His same rigid hairstyle, decorous face, and stylish blazer coats distinguish him in the political world where the majority project a bucolic image. It is probably unavoidable that Hashimoto becomes isolated in a parliamentarian society where the overwhelming majority are natives of rural areas, but it is undeniable that his solitary posture of refusing to listen to criticism only serves to intensify his isolation.

Ozawa once stated, "Ryu plays by himself. That's why he makes no friends."

Even Kozo Watanabe, who calls for support for Hashimoto from the New Frontier Party, labeled him the "orphan of the political world."

On the other hand, Kajiyama, states, "I have chosen to view him from a distance because a close look would breed contempt."

Differences Compared to Rival Kono

Although Hashimoto is plagued by weak points of the foregoing nature, he undeniably ranks first or second as a prime minister candidate from the standpoint of his rich political background and his public popularity. Since first serving as a cabinet officer in the position of minister of health and welfare at the age of 41, he has served as minister of transport, minister of finance on three occasions, currently as minister of international trade and industry and LDP secretary general, and political research committee chairman in the LDP opposition party days. On the other hand, although Kono serves as LDP president, he has no previous experience in any of the three key party positions and his cabinet officer experience has been limited to director-general of the Science and Technology Agency and chief cabinet secretary. Even with respect to public popularity, various public opinion surveys reveal that Hashimoto enjoys double the support extended to Kono, running far ahead of the latter.

If a superior trait were to be identified of Kono, it is the fact that he makes bold political moves. In 1976 Kono resigned from the LDP and formed the New Liberal Club in connection with former Prime Minister Kakuei Tanaka's involvement in the Lockheed scandal. At that time, Kono invited Hashimoto to join him. However, Hashimoto declined the offer, saying, "I will not attempt to stop your move. However, I do not wish to leave Kakuei in his time of distress, as if to add insult to injury."

In connection with the selection of a successor LDP president after the resignation of Kiichi Miyazawa in July 1993, Hashimoto decided not to run for the presidency because he felt that the split in the LDP was occasioned by the breakup of the Takeshita faction. At that time, Kono, who was the chief cabinet secretary, disregarded criticism from certain sources of the party which said, "One reason why the government collapsed rests with the chief cabinet secretary," and decided to run for and succeeded in becoming the LDP president.

It is difficult to make a quick decision as to which of two responsibilities is of greater significance; i.e., responsibilities for the split of the Takeshita faction or responsibilities associated with the position of chief cabinet secretary. That distinction would have to be made not on the basis of the surrounding circumstances but on the basis of how the individual concerned interprets the situation or on the basis of how he arrives at a decision. Hashimoto and Kono have much in common, such as both are combative, both are second-generation Tokyo types, and both were born in 1937, but when making decisions that control political survival, Kono is far more bold and agile than Hashimoto.

In reality, Hashimoto has forfeited two opportunities to become prime minister.

The first opportunity arose in connection with the selection of a successor for Sosuke Uno who had announced his decision to resign because of a historical defeat suffered by the LDP during the summer 1989 upper house elections. At that time, the Takeshita faction and a group of junior parliamentarians moved to support Hashimoto, but the Miyazawa faction refused to support Hashimoto because of his womanizing problems. During those negotiations, Hashimoto was summoned to a Tokyo hotel room by Ozawa and Keiwa Okuda and "interrogated" about his individual female companions. Moreover, that story was circulated within the political world on that very day.

Hashimoto was subjected to humiliation that he could not discuss with others and eventually accepted the Takeshita faction plans and decided against running for the LDP presidency. This was when the "Ozawa-Hashimoto Feud" erupted.

Five years later, Ozawa approached Hashimoto for possible designation as a prime minister candidate. That was June 1994, when work had begun on designating a successor to Tsutomu Hata who had announced his resignation from the prime ministership. In response to an inquiry made via a "messenger" from Ozawa, Hashimoto declined by saying, "I am a member of the LDP. If the proposition is to split the LDP and run for prime minister, I cannot agree. The question is, would it be acceptable if I were followed by all LDP members from Kenzaburo Hara down to Seiko Noda? Just tell Ozawa I said Thank you.'"

Supported by Insiders for the First Time

The foregoing two "Hashimoto candidacy support dramas" were sponsored primarily by outsiders, such as the Miyazawa faction in the first case and by former Shinseito President Ozawa in the second case. Neither sponsorship originated with insiders. It may be a weak point for Tokyo types but because he is inept at maintaining intimate ties with others, there are no individuals who say they are willing to extend a helping hand or sacrifice their political careers for the sake of Hashimoto. This is why it has been said that Hashimoto "has no followers." This deficiency was considered fatal in the LDP solo government days when faction leaders waged a competition and "thoroughness in looking after followers" was one of the criteria for qualifying for the LDP presidency.

However, times have now changed. The collapse of the factions has brought an end to the system of selecting the LDP president on the basis of factions and it is no longer necessarily a case where a faction leader becomes the candidate for prime minister. As a substitute, conditions are such now that they facilitate the formation of coalition governments and arrangement of intraparty as well as interparty support, with the proviso that public support has become an absolute condition. On the other hand, when one notes that Prime Minister Tomiichi Murayama has revealed his limitations because of his lack of experience managing government affairs, we must recognize that leadership, crisis management, and policy expertise are critical factors to be considered in selecting the next prime minister.

Such changes in times have inspired the first intraparty support from the former LDP Obuchi faction for the prime minister candidacy of Hashimoto.

Those within the Obuchi faction who are enthusiastically promoting support for Hashimoto include Kajiyama, Muraoka, and Minister of Home Affairs Hiromu Nonaka. Kajiyama is one of the leaders responsible for forming the Murayama government and desires that Murayama stay in his current position. However, he is also making preparations for the formation of the next administration. Kajiyama always maintains several strategic political plans and deploys individual strategies and tactics based on the given situation. The July edition of the monthly magazine BUNGEI SHUNJU carries an article by Kajiyama titled, *My Declaration to Act* in which he explains his "test of allegiance" for any individual to become the next prime minister. Kajiyama had consulted with Hashimoto prior to the publication of this article.

Positions Taken on International Contributions

In making a comparative reading of the foregoing article and Hashimoto's book titled, *Retrieval of Government*

Power (published by KODANSHA), one notes differences in views on international contributions. Using the Gulf war experience as a basis, Hashimoto states, "After the termination of hostilities, I came to keenly realize the importance of sharing in the dangers of war. (Financial cooperation) represents a worthy contribution, and it can probably be said that it was only possible in the case of Japan. However, in international society, the expeditionary role of 511 crew members of the Maritime Self Defense Forces minesweeper was appraised as a "greater contribution" than financial cooperation totaling $13 billion. Contributions sought by international society translate into sweat, tears, and bloodshed."

In contrast, Kajiyama embraces "absolute pacifism" in writing, "Our nation is adept at making international contributions of a financial nature but must be categorized as being extremely inept at engaging in peacekeeping operations (PKO) because of their military nature. This being the case, we must engage ourselves in increasingly serious debate on how we can contribute to international peace in an economic sense where we are more competent. Our policies should not be devoted solely to the expansion of PKO missions."

Differences concerning international contributions of the two individuals surfaced in connection with the PKO proposed for the Golan Heights, and while Hashimoto voiced the desire that action be taken to cooperate in the proposal, Kajiyama responded by humming a tune which read, "L-o-o-k at Golan for what it's worth...." When it comes to international contributions, Hashimoto's ideas are in fact closer to those of Ozawa, and in reality, until this spring, Hashimoto had said, "I do not differ much with Ozawa on a variety of policies. The only area where we differ is whether self-defense forces dispatched to PKO missions should be limited to rear-area support roles, or expanded to roles which entail greater involvement in the total missions."

When asked if his views on international contributions are closer to Ozawa than Kajiyama, Hashimoto assumed a grim look and explained, "I believe making such a distinction would be very inaccurate" and eloquently continued with a dissertation on how he had involved himself in international exchanges of a nonmilitary nature such as cooperation with the Nepalese children's hospital project and environmental summits.

There was a reason why Hashimoto displayed a sensitive reaction. For Hashimoto who is within reach of becoming prime minister based on intraparty support, the reality is that his relationships with the New Frontier Party, especially former Takeshita faction members Ozawa, Hata, and Watanabe pose an obstacle. An influential official of the former Obuchi faction recently threatened Hashimoto by saying, "Sever relations with Ozawa. Otherwise, we will not support your prime ministership."

Grudges against Ozawa among the Obuchi faction officials run much deeper than imagined by Hashimoto. Hashimoto had no choice but to agree with the warning of an influential official.

The existence of such a backdrop was the very reason why Watanabe in a public broadcasting interview on 9 July said, "We should abandon party interests and establish a government devoid of past grudges among those with common policies, doctrine, and philosophies. In such case, we and Hashimoto's group should join hands" but, during a press conference on the 11th, Hashimoto took the initiative in making a categorical denial, by saying, "I am troubled by statements which conflict with facts."

Element of Greatest Concern With a "Prime Minister Hashimoto"

In connection with support for Hashimoto, even Takeshita revealed, "Obuchi (Keizo, LDP vice president) has failed in his efforts in Gumma (including failure at coordinating the designation of candidates for the House of Representatives single-seat electoral districts and defeat in the Gumma Prefectural League chairmanship elections); therefore, he'll have to wait for the next opportunity to run for prime minister," meaning that the position to be taken by the former Obuchi faction has been solidified in support of Hashimoto. However, support from the former Obuchi faction alone does not ensure that one can become LDP president and prime minister. The former Obuchi faction does not possess the "power of numbers" once associated with the Tanaka and Takeshita factions. Further, the former Obuchi faction is the only faction barely retaining solidarity, while other factions have been decimated. Building political clout on the basis of factional organizations is no longer practical.

Such circumstances also apply to Kono and one could take the view that Hashimoto enjoys an advantage to the degree that the former Obuchi faction is still unified to some extent. Further, the system for LDP president has been revised and greater weight is now given to party member balloting which means that the more popular Hashimoto would enjoy an advantage over Kono in any election.

In fact, the element of greatest concern with a "Prime Minister Hashimoto" are the methods that he will use once he becomes prime minister.

Two years ago, three members of industry held a meeting titled, "Our Advice to Hashimoto." Those members included Masao Kamei, consultant to Sumitomo Electric Industries; Ryuzo Sejima, special consultant to Itochu Corp.; and Yoshiaki Sakurai, president of Kosaido. One of the three expounded:

"A military organization has a commander-in-chief who is supported by army and division commanders. The commander-in-chief manages the military. The prime minister is a true commander-in-chief and must manage the government."

It is said that Hashimoto interrupted midway to state his rebuttal. The individual who presented the short dissertation later commented, "Hashimoto is excessively versed in the details of government. The question exists, does he have the potential to manage government from an overall perspective?"

On the other hand, Kasumigaseki bureaucrats recognize his capabilities but are filled with trepidation in saying, "There's the concern that he might go over the heads of ministers in dealing directly with bureau director generals and division heads."

Fears associated with a "Prime Minister Hashimoto" originate with Hashimoto as a person.

MITI To Upgrade Overall Measuring System

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[FBIS Transcribed Text] Tokyo, Sept. 16 KYODO — The Ministry of International Trade and Industry (MITI) will upgrade Japan's overall measuring system, introducing new standards and instruments in response to new industrial and scientific demand, MITI officials said Saturday [16 September].

The number of measuring standards, which serve as a base unit for measurement of weight, length and others, will expand from the current 30, the officials said.

Japan has fewer measuring standards than other major countries. The United States, for example, uses about 500 such standards, the officials said.

Measuring instruments to be newly introduced include equipment to gauge length to the nanometer, or one billionth of a meter, which is used in such high-tech areas as Very Large-Scale Integrated (VLSI) circuits, and a device to measure feeble electromagnetic waves, which is used for assessment of possible effects of such waves on electric appliances, the officials said.

MITI will also expand the number of materials to be used as a standard to gauge things such as calorie and concentration of ingredients from the current 40, the officials said, noting about 1,200 materials are designated for such a purpose in the U.S.

The International Standardization Organization (ISO) has requested Japan make its measuring standards more harmonious with global standards, especially in the measurement of function and quality of industrial products.

Rival Groups Agree To Standardize DVD Format

OW1509114995 Tokyo KYODO in English
1134 GMT 15 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 15 KYODO — Toshiba Corp. and its allies agreed Friday [15 September] to accept a compromise proposal from their rival group led by Sony Corp. to standardize the digital videodisc (DVD) under a single format, industry officials said.

The toshiba-led group reached the agreement at a meeting of seven electronics companies including Toshiba and Matsushita Electric Industrial Co., the officials said.

With the agreement, the DVD, a large-capacity memory device to be used in visual software and personal computers, is expected to be standardized into a single format, they said.

Mongolia

President Ochirbat Begins European Tour

OW1809101895 Beijing XINHUA in English
0652 GMT 18 Sep 95

[FBIS Transcribed Text] Ulaanbaatar, September 18 (XINHUA) — Mongolian President Punsalmaagiyn Ochirbat left here today to begin his 10-day Europe tour, which will take him to Germany, Hungary and Belgium.

This will be the first time that a Mongolian head of state visits Western Europe.

During the trip, Ochirbat is expected to meet senior leaders of the three countries and the European Parliament and sign bilateral agreements on cooperation in the fields of culture, science and education.

The president's advisor Jargal Saihan [name as received] told reporters that Ochirbat is to make a speech at the European Parliament on Mongolia's democratic process.

North Korea

Statement Issued on Capture of ROK Boat

SK2009134695 Pyongyang Korean Central Broadcasting Network in Korean 1213 GMT 20 Sep 95

[Statement issued by KCNA on 20 September; place not given — read by announcer]

[FBIS Translated Text] The statement [podo] issued by KCNA:

With authorization, KCNA reports as follows:

On 30 May, a naval patrol boat of the Korean People's Army [KPA] captured [tansokhayotta] an unidentified boat that illegally intruded deep into our territorial waters on the West Sea.

According to the results of the relevant agency's investigation, the captured unidentified boat is the 86-Usong belonging to Usong Fisheries Company in Inchon, South Korea, and the crew who were on board the boat were eight men. On 30 May the 86-Usong illegally intruded into our side's territorial waters at 30 seconds, 37 minutes of 38th degrees north latitude, 30 seconds, 51 minutes of 124 east longitude, and 4.5 nautical miles from the northern tip of Chodo.

The KPA naval patrol boat started to capture the boat that intruded deep into our territorial waters. Seeing this, the 86- Usong began to escape. Even though our naval patrol boat repeatedly sent out stop signals, the boat did not respond to the signals. Therefore, we fired warning shots. However, the boat recklessly tried to obstinately escape from the area of our approach, and, finally, made all sorts of desperate attempts, colliding with our patrol boat.

Under such circumstances, our naval patrol boat was compelled to take a self-defensive step.

The unidentified boat was captured on the sea at 40 seconds, 20 minutes of 38th degrees north latitude, 35 seconds, 23 minutes, 124 degrees of east longitude and 20.8 nautical miles north of the maritime demarcation line. In this process, the ship was damaged and some were killed and wounded.

According to the statement of the ship's crew, the 86-Usong committed the illegal act of intrusion and escape under the radio command of a South Korean puppet Navy ship and maritime police.

The 86-Usong, which illegally intruded into the territorial waters of our side, and the South Korean authorities, who commanded the illegal act, are totally responsible for the incident.

The illegal intrusion into our territorial waters and the acts of the South Korean authorities, who aggravated North-South relations by this and strained the situation on the Korean Peninsula, and of the 86-Usong, which took part, are a crime which can never be tolerated.

The issue of the 86-Usong ought to be disposed of according to the law of the Republic.

The crew members of the 86-Usong are receiving the Republic's warm hospitality of compatriotic love despite their act of illegal intrusion into our territorial waters.

20 September 1995, Pyongyang.

U.S. Urged To Establish 'Peace Guarantee'

SK2009004295 Pyongyang Korean Central Broadcasting Network in Korean 0748 GMT 19 Sep 95

[Unattributed talk: "The United States Should Accede to the Establishment of a Peace Guaranteeing System"]

[FBIS Translated Text] It is well known to the world that Korea was divided into two and our people have experienced the painful national division and a war disaster due to the U.S. Forces' occupation of South Korea,

The dregs of the Cold War still remain on the Korean peninsula. The United States should have withdrawn its troops from South Korea long ago according to various principles for resolving the Korean issue discussed during World War II, and according to the resolution adopted at the 30th UN General Assembly. However, the United States has exceedingly built up military forces in South Korea, has constantly tensed the situation by bringing nuclear weapons and updated military equipment into South Korea, and is still doing so.

The world is heading toward peace and detente following the end of the Cold War. However, the DPRK and the United States are still in political and military confrontation now when the DPRK-U.S. agreed framework has been adopted, and the situation between the two has not improved. This is mainly because the United States keeps its troops stationed in South Korea. The U.S. Forces, which occupied South Korea, have forced the South Korean people to be held in intolerable national contempt and disgrace and to make dear sacrifices.

Nevertheless, the South Korean puppets are begging for the U.S. Forces' permanent occupation of South Korea while paying $3 billion a year for maintaining the U.S. troops in South Korea. The U.S. authorities say they will not withdraw the U.S. troops from South Korea as long as the South Korean puppets want them. However, only a small number of the nation-sellers in South Korea want the U.S. Forces' occupation of South Korea, while an absolute majority of South Korean people demand the early withdrawal of the U.S. troops from South Korea.

The U.S. attempt to keep its troops stationed in South Korea in conformity with national traitors' begging cannot be justified. What should be done first in guaranteeing peace and security on the Korean peninsula and hastening reunification is the withdrawal of the U.S. troops from South Korea and the establishment of a new peace guaranteeing system between the DPRK and the United States.

As has been reported, the government of our Republic proposed to the United States, through the DPRK Foreign Ministry statement issued in 28 April 1994, that the DPRK and the United States hold negotiations on establishing a new peace guaranteeing system to prevent arms buildup and the occurrence of a new war on the Korean peninsula. This is an extremely justifiable proposal based on the legal and actual condition that the United States is a direct party that signed the Armistice Agreement and actually has the military prerogative of supreme command in South Korea.

Speaking generally about the issue of guaranteeing peace on the Korean peninsula, as we clarified before, some problems should be solved between North and South Korea and some should be solved between the DPRK and the United States.

As the world knows, giving priority to establishing a peace guaranteeing system between North and South Korea, we adopted the North-South Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation in December 1991 to prepare a systematic mechanism for North and South Korea to make a definite promise not to invade each other.

The terms of the North-South agreement include a series of items concerning nonaggression, such as the promise that either side will not use armed forces against the other, an agreement on settling disputes in a peaceful way, and an agreement on organizing the North-South Joint Military Committee. The North-South agreement also clearly specifies the North-South Joint Military Committee's mission to build mutual military trust and to realize arms reduction. Accordingly, in this regard, the operation of the prepared peace guaranteeing mechanism is the only pending issue between North and South Korea.

If the South Korean rulers intend to implement the North-South agreement now, though belatedly, the problems mentioned above can be resolved. The remaining work is establishing a new peace guaranteeing system between the DPRK and the United States, whose troops are stationed in South Korea, and which has primary responsibility in guaranteeing peace on the Korean peninsula.

The establishment of a peace guaranteeing system between the DPRK and the United States is merely the replacement of the Armistice Agreement with a peace guaranteeing system. When a legal and systematic mechanism for guaranteeing peace is prepared between us and the United States which has the military prerogative of supreme command, the tense situation on the Korean peninsula will considerably be eased and the implementation of the North-South agreement will be promoted. The new peace guaranteeing mechanism would also make a decisive contribution to fundamentally improving the situation in Northeast Asia and the Pacific region.

The United States should accede, without hesitation, to the establishment of a peace guaranteeing system to clear off the dregs of the Cold War that remain on the Korean peninsula.

ROK Plan on 'Flood Sufferers' Viewed

*SK2009050895 Pyongyang KCNA in English
0446 GMT 20 Sep 95*

["Slushy Play Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The South Korean puppets, reportedly, are now "considering a plan to set up camps in east and west coasts", saying that "a large number of flood sufferers may flee from the North through waters." They add that this measure was taken "with reference to a precedent" of Germany, which built large camps for East German deserters just before its unification.

This reveals the foul intention of the Kim Yong-sam group, who wish that any "political problem" would arise and "change" be brought about within the North.

We cannot but take a serious view of the fact that they are persistently and obstinately resorting to anti-communist smear propaganda over flood damage inflicted on fellow countrymen.

The puppets' argument on "possible escape of sufferers", which is impossible, and "plan of setting up camps" under consideration are touching off a surging anger among the people.

As reported, some areas of the northern half of Korea suffered big damage from the unexpected flood in several hundred years. However, no sufferer is disappointed at or pessimistic of his life.

On the contrary, our people have keenly felt, in the course of this, the genuine superiority and invincible might of their own socialism centred on the popular masses under the leadership of respected General Kim Chong-il, and rallied themselves more closely around their leader.

"Escape of sufferers" advertized by the South Korean puppets can never be expected under our socialist system.

With the strong support of the country as a whole, the inhabitants in the flood-afflicted areas have turned out as one in the efforts to heal the damage as soon as possible and have their life stabilized.

It is, indeed, a silly idea of the South Korean puppets to expect "deserters" from these people. With this childish way of thinking they are cooking up plots at random which are contrary to reason.

At the beginning they were engaged in false propaganda, arguing that the North "overestimated" the flood damage. But their plot proved false after an official announcement of the Department of Humanitarian Affairs of the United Nations. So they are now inventing another play called "escape of sufferers". This is a graphic expression of their political ignorance and stupidity.

What is more ridiculous is that they openly revealed their design of "unification by absorption", saying that "setup of camps for refugees" is planned "with reference to a precedent" of unification of East and West Germany.

"Unification by absorption" sought by the Kim Yong-sam group is a foolish idea, which is reminiscent of a snake trying to swallow an elephant at a gulp.

Their scheme for "unification by absorption" will only bring about their doom.

The Kim Yong-sam group would be well advised to clearly see their miserable lot and find a shelter to hide themselves after being ousted from "Chongwadae [presidential offices]", instead of resorting to such useless play as "setting up of camps".

ROK Criticized on Defense Budget, War Games

*SK2009083395 Pyongyang Korean Central Broadcasting Network in Korean
0854 GMT 19 Sep 95*

[NODONG SINMUN 19 September commentary: "Reckless Imprudent Act by Warmongers"]

[FBIS Translated Text] Currently, unusual military commotions running counter to intentions for the nation's peaceful reunification are being continuously carried out in South Korea. Recently, the puppet administration and the Democratic Liberal Party decided to increase next year's defense budget by 10.7 percent over this year's budget, which amounts to about 12.26 trillion won.

A South Korean broadcast assessed that while the defense budget has increased annually, this is the first case of a double-digit increase since the current regime set sail.

A few days ago the Kim Yong-sam ring held a party-administration defense meeting and carried out a criminal conspiracy to accelerate war preparations. It also secretly schemed to drag in up-to-date ground-to-ground missiles from the United States. On 15 September the puppets played with fire in which the puppet Navy committed a provocative mobile exercise in the Korean East Sea and deployed many tanks and puppet armed forces in Seoul, thus displaying war madness by firing blank shots.

The acts by the puppets of unprecedentedly increasing the defense budget; continuing to increase armed forces; and even carrying out powder-reeking war exercises in Seoul are very dangerous acts that can be carried out only by warmaniacs.

Currently, the whole nation is earnestly desiring the nation's reconciliation and unity, the country's peace and peaceful reunification. The will for the nation's peaceful reunification was once again manifested at home and abroad through the August grand national reunification festival.

Reflecting the nation's intention and desire for peace and peaceful reunification, we put forth an epoch-making proposal of establishing a new peace guaranteeing system in place of the current outdated armistice system to guarantee solid peace on the Korean Peninsula, and are making all kinds of sincere efforts to realize it. Right now the Kim Yong-sam ring is conducting mock war games every day and running amok in a war exercise to invade the North. This is an open challenge and provocation toward us, and an intolerable antinational criminal act, putting a wet blanket over the nation's ardent desire for peaceful reunification.

As the world officially recognizes, the Kim Yong-sam ring's maneuvers to provoke a war have now reached a very reckless stage. Here are some recent examples of this. The Kim Yong-sam bellicose group has just concluded a so-called munitions-related agreement with the United States; received an enormous amount of war equipment including hundreds of tanks and tens of thousands of tonnes of ammunition from the U.S. Forces occupying South Korea; and since it was not even satisfied with this, the Kim Yong-sam bellicose group is continuing to drag in up-to-date war equipment from the United States.

By once again carrying out the Ulchi-Focus Lens joint military exercise, which is a reemergence and extension of the Team Spirit nuclear war exercise aimed at making a surprise attack on the northern half of the Republic with outside forces, they drove the situation on the Korean Peninsula to the brink of war.

Even at this time the warmongers are dragging an enormous amount of war materiel into the DMZ along the Military Demarcation Line, and are doing nothing but committing grave military provocations toward our side's region. There is no need to repeat that such military moves by the puppets are a planned provocative commotion to transfer the already planned war scenario to invade the Northern half of the Republic into practice.

The whole nation is unable to refrain from rising anger toward the Kim Yong-sam ring, which is anxious to light the fuse of war to harm the fellow countrymen by becoming the war slaves of outside forces.

Our people and the People's Army are observing with vigilance the Kim Yong-sam ring, which is running amok to increase armed forces and war exercises to stir up the hornet's nest of fratricidal war under the manipulation of outside forces. The revolutionary temperament of our people and People's Army is not forgiving the provokers. We warn once again that it would be good for the Kim Yong-sam ring to stop its reckless and foolish imprudent acts, which are like fools rushing in where angels fear to tread.

Students From South, North Discuss Exchanges

SK2009053295 Pyongyang KCNA in English 0438 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), and chairmmen of student committees in Kangwon Province met at Wonsan University of Agriculture on Monday.

Present there was Choe Chong-nam, director of the joint secretariat of Pomchonghangnyon.

At the meeting they informed each other of the preparations for a planned trip to the tomb of King Tangun on October 3, which was discussed and agreed upon at a meeting of the co-chairmen of Pomchonghangnyon in early April, and exchanged views on the future measures.

According to their information, the North side headquarters has planned to hold a Pomchonghangnyon rally and make a trip to the tomb of Tangun, as central events, while its branches, in step with them, will have functions suitable to their regional conditions.

In this connection, the Kangwon Provincial Student Committee is selecting delegates to the October 3 central events and seeking a way for cosponsoring a rally with the South Korean Kangwon Provincial Federation of General Student Councils.

They also exchanged views on the matters of further promoting independent exchange between students in the North and the South for realizing the reunification through confederacy.

On the same day, the Hanchongnyon delegates were invited to a welcome ceremony and planted trees to commemorate their visit.

Pomminnyon Leader Advocates 'Confederacy Formula'

SK1909004995 Pyongyang KCNA in English 2147 GMT 18 Sep 95

[FBIS Transcribed Text] Pyongyang, September 18 (KCNA) — The sixth pan-national rally (PNR) and the grand national reunification festival of Koreans from the North, South and overseas for celebrating the 50th anniversary of the country's liberation held in Panmunjom last August, marked a historical occasion in carrying forward and developing the reunification movement and showing the road of unity as they sat together and discussed and confirmed the way of reunification.

Yim Min-sik, secretary general of the National Alliance for the Country's Reunification (Pomminnyon), stressed this in an article entitled "Significance of the Grand National Reunification Festival and PNR and Resolution of Pomminnyon for the Reunification in the '90s."

In the article carried by MINJOK SIBO, an overseas Koreans' newspaper published in Japan, Yim said that the confederacy formula, the most correct way of reunification which was confirmed by the independent reunification forces through the PNRs, was approved on a nationwide scale in the recent festival. "This became an epochal turning point in putting a period to the 50 year long division of the country and opening a new phase for national unity and reunification," he added.

"The festival also," he said, "marked a historical occasion in demonstrating to the whole world the ardent desire of the 70 million fellow countrymen in the North, South and overseas for reunification and cementing great national unity."

"Pomminnyon will work hard to achieve solidarity and cohesion with all the patriotic forces for reunification at home and abroad," he declared.

ROK Army Defector Chon Chae-won Interviewed

SK1909113995 Pyongyang KCNA in English 1028 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — Chon Chae-won (34), who defected to the North through a third country from South Korea some time ago, was interviewed by home and foreign reporters here today.

Chon, who was born in Chunchon, South Korean Kangwon Province, served in the "ROK" Army as a guard after graduating from a high school. Then he served as a worker in the U.S. military base in Chunchon and acted as a daily worker in the city of Songnam, Kyonggi Province.

His wife and son and daughter remain in South Korea.

Referring to the motive of his defection, he said that he came over to the northern half of the country to lead a life free from the repression and persecution by the "Agency for National Security Planning" [ANSP] of South Korea.

He said:

"I experienced the miserable life of South Korean workers and witnessed American soldiers' violence against South Korean people. In the course of this, I could no longer remain an onlooker to the reality of dependent, fascist and rotten South Korean society and joined in the labour movement.

"Nevertheless, the ANSP tried to arrest me on the false charge of working under the 'manipulation of the North' so as to crack down upon labour organizations and the movement organizations for democracy in the South, which are calling for independence, democracy and reunification, by forcibly connecting them with the North."

The South Korean authorities have invented so-called "spy ring case" or "case of persons under the backstage manipulation of the North", in an attempt to justify their anti-DPRK confrontation moves, which they regard as means to maintain their anti-social "government", Chon said.

He noted that many people in the South are ardently longing for the North and supporting the proposal for Founding the Democratic Confederal Republic of Koryo.

Through his experiences in the DPRK, he became convinced that the North, where the man-centred politics of the great leader General Kim Chong-il sparing no money for the people is administered, is the bosom of the genuine motherland in which all the members of the nation can live, the defector stressed.

Signature Campaign Urges ROK To Free Prisoners

SK1809105695 Pyongyang KCNA in English 1002 GMT 18 Sep 95

[FBIS Transcribed Text] Pyongyang, September 18 (KCNA) — The human rights committee of the Kwangju Federation of Christian Churches has launched an all-people signature campaign in demand of the repatriation of old Kim In-so and Kim Yong-tae who had been imprisoned for many years without being converted, it was reported in HANGYORE SINMUN on September 12.

The committee called for an active participation in the signature campaign, saying that "the day of their reunion with families in hometowns will come when all the people share the same will."

Recently the two old men exchanged letters on several occasions and met through the telephone with their families in the North, the paper noted, and said: "Their letters and telephone conversation were filled with the ardent desire for reunion."

Demands for Kwangju 'Murderers' Punishment Noted

SK1909152995 Pyongyang KCNA in English 1524 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — Different circles of South Korean society are making a vigorous struggle in demand of the punishment of those responsible for the May 18 Kwangju massacre.

Above 70 teachers of Hallim University in South Korean Kangwon Province published a statement on September demanding an enactment of a special law for a probe into the truth behind the May 18 incident and the punishment of the chief culprits.

The statement said that the prosecutor's decision not to bring a lawsuit against the murderers reveals the anti-national, anti-social nature of the "civilian government".

On the same day, some 60 teachers of Taejon University issued a statement urging an immediate repeal of the decision and the punishment of all those responsible for the Kwangju massacre.

Ten-odd organizations including the people's committee for probing the truth behind the May 18 incident and inheriting the spirit of the Kwangju resistance held a rally in front of the puppet National Assembly hall on September 11, urging an enactment of a special law. The ralliers demanded the punishment of all the murderers, saying that "the 'National Assembly' should rectify the serious mistake of the authorities defending those responsible for the massacre."

Meanwhile, the National Federation of Press Unions, the Journalist Association and the Broadcasting Association in South Korea jointly held a citizens' forum urging the punishment of the Kwangju murderers in Seoul, at which they called for the enactment of a special law and setup of special court.

Commentary Attacks Kim Yong-sam Comments on Chon

SK2009051695 Pyongyang KCNA in English 0452 GMT 20 Sep 95

["Kim Yong-sam Defends His Predecessor Again" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — South Korean dissident organization indicted the traitor Chon Tu-hwan for deception and blackmail. He fooled the people and inflicted heavy burdens on them by starting the project of a "Peace Dam" in 1986 allegedly to cope with the fictitious "flooding operation" by the North. Few days ago, however, the Kim Yong-sam group announced that he is "unsuspected."

In a commentary NODONG SINMUN today says the "counterdam" built by the Chon group, in the final analysis, was aimed at diverting elsewhere the public resentment at them, saving the fascist ruling crisis and collecting tens of billions of won from the people under the pretext of the dam building.

Nevertheless, the Kim Yong-sam group alleged that the "investigation" indicated that Chon did not collect donations from the people by intentionally deceiving them into believing the Kumgangsan Dam was aimed at inundating South Korea with flood, and decided that he is "free from suspicion." This is really an illegal practice and the most vicious challenge to justice.

The paper further says:

The Kim Yong-sam group's making a clean sweep of the crime concerning the "Peace Dam" is another intolerable challenge and insult to the South Korean students and people calling for an immediate punishment of the Chon Tu-hwan-No Tae-u group, the architects of the May 18 bloodbath and the December 12 military coup.

The Kim Yong-sam group are facing a catastrophic crisis, completely isolated and rejected by the South Korean people for their repeated failure of internal and external policies. As a drowning man catches at a straw, the puppets are finding a way out of their crisis in joining hands with the "Fifth and Sixth Republics" military forces, that should be punished by the people.

The Kim Yong-sam group must be mindful that they are sinking into the quagmire because they are teaming up with the dictators of the "Fifth and Sixth Republics," who committed many crimes.

IAEA Delegates Depart After Third Talks Round

SK2009045895 Pyongyang KCNA in English 0433 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The delegation of the International Atomic Energy Agency [IAEA] left here on Tuesday by air after participating in the third round of negotiations on freezing nuclear facilities according to the DPRK- U.S. agreed framework.

Kim Chong-il Sends Wreath for Paek Pom-su

SK1609220695 Pyongyang KCNA in English 1537 GMT 16 Sep 95

[FBIS Transcribed Text] Pyongyang, September 16 (KCNA) — The great leader Comrade Kim Chong-il today sent a wreath to the bier of Paek Pom-su, member of the Central Committee of the Workers' Party of Korea, deputy to the Supreme People's Assembly, member of the Central People's Committee of the Democratic People's Republic of Korea, chief secretary of the South Hwanghae Provincial Committee of the WPK and chairman of the South Hwanghae Provincial People's Committee.

Japanese Prefectural Delegation Pays Visit

Meets With Hwang Chang-yop

SK1609220195 Pyongyang KCNA in English 1533 GMT 16 Sep 95

[FBIS Transcribed Text] Pyongyang, September 16 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop today met and had a friendly talk with the delegation of Aichi Prefectural Assemblymen from different political parties of Japan led by Noriyuki Takahashi.

Departs 16 Sep

SK1909014695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 16 Sep 95

[FBIS Translated Text] A delegation of Aichi Prefectural Assemblymen from different political parties of Japan led by Noriyuki Takahashi left for home by air on 16 September. During its stay in the DPRK, the delegation visited Mangyongdae, the Pyongyang underground subway system, and various other places.

Chongnyon Home-Visiting Groups Honor Kim Il-song

SK1709091495 Pyongyang KCNA in English 0823 GMT 17 Sep 95

[FBIS Transcribed Text] Pyongyang, September 17 (KCNA) — Home-visiting groups of Korean students in Japan staying in the socialist homeland on Saturday called at Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state and made a deep bow to him.

Head of a group Ku Yong-tae said that their hearts are always with Kumsusan Memorial Palace.

Respected General Kim Chong-il took care that the Korean people could always live with the fatherly leader Generalissimo Kim Il-song, he said.

He expressed deepest thanks to the respected general.

He evinced his determination to more dynamically work for the reunification of the country and the development of the General Association of Korean Residents in Japan (Chongnyon), true to the behests of the fatherly leader.

Newspaper in Japan Supports Confederacy

SK1909223895 Pyongyang KCNA in English 1527 GMT 19 Sep 95

["Reunification Through Confederacy Called For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — MINJOK SIBO, a Koreans' newspaper in Japan, called on the 70 million Koreans to march forward to reunify the country through a confederacy in the 1990s.

The paper noted that Koreans in the North, the South and overseas held a historic great national conference at Panmunjom on August 15 this year, 50 years since Korea's liberation and that after serious discussions they defined the confederacy formula as the nation's common way for reunification.

As a clear chart of the reunification movement has been drawn up, there is a greater possibility of reunification in the 1990s and joint action in the reunification movement is ensured, said the paper.

If the country is to be reunified, the paper continued, the military tension on the Korean Peninsula must be eased, a new peace mechanism be set up, the "National Security Law" of South Korea be scrapped and the "Agency for National Security Planning" be dissolved there.

Overseas Koreans Urge Freeing of Pak Yong-kil

SK1609215695 Pyongyang KCNA in English 1517 GMT 16 Sep 95

[FBIS Transcribed Text] Pyongyang, September 16 (KCNA) — Overseas Koreans estimated the northern trip of Pak Yong-kil, widow of Rev. Mun Ik-hwan, as a righteous tour and denounced the Kim Yong-sam group for bringing an indictment against her for her visit to Pyongyang.

The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) in a statement said:

Pak Yong-kil visited Pyongyang on the occasion of the first anniversary of the death of the great leader President Kim Il-song and expressed respects to him before his bier at Kumsusan Memorial Palace. This is a very righteous one based on the intimacy between the great leader and Rev. Mun Ik-hwan.

The Federation of South Koreans in Japan for democracy and unification said in a statement that the northern trip of Presbyter Pak Yong-kil to express condolences is a praiseworthy act conforming with national etiquette.

However, it further said, the Kim Yong-sam "regime" is unhesitatingly punishing the woman above 70 and brought an indictment against her, who is now in a critical condition for her heart disease. This is tantamount to a murderous atrocity betraying ethics.

The statement of the North America-Korea Friendship Association pointed out that the Pyongyang visit of Pak Yong-kil as a mourning envoy of the South Korean people is a righteous deed reflecting the will of the South Korean people who failed to visit Pyongyang to express condolences over the death of the great President Kim Il- song last year.

U.S.-resident Koreans Sonu Hak-won, Yang Un-sik, Yi Sung-man, Yi Haeng-u and Ham Song-kuk in a joint statement said that Pak Yong-kil made a tour of the North out of her obligation to create the atmosphere of reconciliation and reunification at any cost, keeping to the promise made by her husband Rev. Mun Ikhwan with the great President Kim Il-song, the promise that they should not pass the 50th anniversary of the country's separation but reunify the country.

Overseas Koreans strongly urged the "civilian-veiled" fascist rulers of South Korea to release illegally imprisoned Pak Yong-kil at once.

Malaysian Military Delegation Begins Visit

Met by Choe Kwang

SK1909231295 Pyongyang KCNA in English
1528 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — A Malaysian military delegation led by Chief of Defence Forces General Tansri Datuk Ismail Bin Haji Omar arrived here today.

It was met at the airport by Choe Kwang, chief of the general staff of the Korean People's Army, and officials concerned.

A ceremony for welcoming the delegation took place at the airport.

Visit to Mansu Hill

SK2009051195 Pyongyang KCNA in English
0430 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The Malaysian military delegation led by Chief of Defence Forces Tansri Datuk Ismail Bin Haji Omar on a visit to Korea called at the statue of the great leader President Kim Il-song on Mansu Hill on September 19 and laid a floral basket and paid homage to him.

Present there was Choe Kwang, chief of the General Staff of the Korean People's Army.

Choe Kwang Hosts Reception

SK2009053395 Pyongyang KCNA in English
0458 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The general staff of the Korean People's Army [KPA] gave a reception Tuesday in honor of a visiting Malaysian military delegation.

Addressing the reception, Choe Kwang, chief of the KPA General Staff, said Korea and Malaysia that value independence and peace are making efforts for sustained, favourable development of the bilateral relations, which is of weighty importance in achieving the prosperity of Asia and preserving global peace.

The Korean people and the officers and men of the People's Army will make active efforts to upgrade the friendly and cooperative relations between the two peoples and two armies of Korea and Malaysia, he added.

In his reply, chief of Defence Forces General Tansri Datuk Ismail Bin Haji Omar [name as received] who is leading the delegation said that it is the position of his government to work for the economic development of the two countries and close friendship between the two armies of Korea and Malaysia. Frequent travel between the two armies is of significance, he said, adding that the travel and friendship will be conducive to the friendship and unity among all the countries in Asia and the rest of the world.

He highlighted the need to learn from the spirit of the Korean people who give full play to the spirit of self-reliance and who unconditionally do what they are determined to.

Cuban Politburo Member, Delegation Arrive

Met by Hwang Chang-yop

SK1909231395 Pyongyang KCNA in English
1530 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — A delegation of the National Assembly of People's Power of Cuba led by Jorge Lezcano Perez, Politburo member of the C.C., [Central Committee] the Communist Party of Cuba and chairman of the Foreign Affairs Committee of the National Assembly of People's Power, arrived in Pyongyang today.

The delegation was greeted at the airport by Hwang Chang-yop, secretary of the C.C., the Workers' Party of

Korea and chairman of the Foreign Affairs Committee of the Supreme People's Assembly of the DPRK, and Jose Ramon Rodriguez Varona, Cuban ambassador to Korea.

Meeting With Hwang

SK2009052395 Pyongyang KCNA in English 0454 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — Hwang Chang-yop, secretary of the Central Committee [C.C.] of the Workers' Party of Korea and chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA], met and had a friendly talk with the visiting delegation of the National Assembly of People's Power of Cuba led by Jorge Lezcano Perez, Politburo member of the C.C., the Communist Party of Cuba and chairman of the Foreign Affairs Committee of the National Assembly of People's Power, at the Mansudae Assembly Hall when the latter paid a courtesy call on him on September 19.

Present there were Yi Mong-ho, secretary of the Standing Committee of the SPA, and Jose Ramon Rodriguez Varona, Cuban ambassador to Korea.

SPA Fete Held

SK2009054895 Pyongyang KCNA in English 0504 GMT 20 Sep 95

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The Standing Committee of the Supreme People's Assembly [SPA] gave a party at the Mansudae Assembly Hall on Tuesday in honor of a delegation of the National Assembly of People's Power of Cuba.

Hwang Chang-yop, secretary of the Central Committee [C.C.] of the Workers' Party of Korea and chairman of the Foreign Affairs Committee of the SPA, spoke at the party.

He said that the Fraternal Cuban Party and people, rallied close around esteemed Comrade Fidel Castro, are carrying out the strategic tasks in the "special period" with credit, firmly defending the country, revolution and gains of socialism in the teeth of the never-ceasing U.S. aggression and blockade.

It is the behests of the great leader President Kim Il-song and the unshakable will of the Workers' Party of Korea to strive for the tightened bonds of friendship, unity and cooperation with the Fraternal Cuban Party, government and people, he said, and continued:

The Workers' Party of Korea and the Korean people will, in the future, too, make every possible effort to continue strengthening and developing the traditional friendly and cooperative relations between Korea and Cuba based on the particular intimacy between the leaders of the two countries.

Jorge Lezcano Perez [name as received], Politburo member of the C.C., the Communist Party of Cuba and chairman of the Foreign Affairs Committee of the National Assembly of People's Power, who is leading the delegation, spoke next.

He said: "The feelings of Korea-Cuba friendship vividly reflect the historic relations of friendship between our two parties, two governments and two peoples, which has been strengthened and developed by our leaders, Commander-in-chief Fidel Castro and the great leader President Kim Il-song."

"We are well aware that the great leader of Korea Comrade Kim Chong-il has long since played a particular role in party work, the work to increase national defence capabilities, foreign affairs and all other work," he said, and expressed the conviction that the Korean people under his guidance will achieve the peaceful reunification of the country and move forward to hit a higher target.

Mauritius Communists Hail Kim Il-song

SK1609000195 Pyongyang KCNA in English 2203 GMT 15 Sep 95

[FBIS Transcribed Text] Pyongyang, September 15 (KCNA) — I keenly felt during my visit to Korea that Comrade Kim Il-song, the greatest of great men, was a great revolutionary and people's leader, said Boodhun Rudul Kumar [name as received], first vice-chairman of the Mauritius Communist Party.

The delegation of the Mauritius Communist Party headed by him was interviewed by KCNA before leaving for home.

The head of the delegation said that the Korean people were able to build an admirable country in a short span of time because they were guided by such a distinguished leader as Comrade Kim Il-song.

Comrade Kim Il-song devoted his all to the work for the happiness of the people, he added.

Member of the delegation Ruohoobeer Manoj Kumar [name as received] had this to say:

The great President Kim Il-song shared bitters and sweets with the people from the first days when he started the revolutionary struggle.

Especially, he found himself always among the people during the three-year rigorous war.

The idea of President Kim Il-song is being creditably carried forward by Comrade Kim Chong-il, the great leader of the Korean people.

Colombian Party Leaders Receive WPK Delegation

SK1909012295 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 16 Sep 95

[FBIS Translated Text] Alvaro Basques Dindial, general secretary of the Central Committee of the Colombian Communist Party; Lewis Fernando Hamarillio Corea, chairman of the National Guidance Department of the Colombian Liberal Party; and Umberto Zuiwaga Monidero, general secretary of the Colombian Conservative Party, [names as transliterated] respectively received the Workers Party of Korea [WPK] delegation headed by Pak Kyong-son, vice director of the WPK Central Committee, on 5 and 6 September.

The head of the delegation conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to the party leaders. The party leaders expressed their deep gratitude and asked the head of the delegation to convey their sincere wish for the long life of the great leader [yongdoja] Comrade Kim Chong-il.

The general secretary of the Colombian Communist Party said: The great Comrade Kim Il-song is the best leader of the century who wisely led mankind's cause for independence. His death was a great sorrow and irrevocable pain of loss not only for the DPRK people, but for the Colombian people as well. The DPRK, which defies all sorts of challenges of the imperialists and firmly defends socialism under the wise leadership the great leader [yongdoja] Comrade Kim Chong-il, is the light tower of hope for the world's progressive people who long for socialism. We send our full support and solidarity to the DPRK people's struggle for socialist construction and fatherland reunification.

The chairman of the National Guidance Department of the Colombian Liberal Party expressed his high respect and admiration toward the great leader [suryong] Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il, and supported the WPK's independent line and policies.

The general secretary of the Colombian Conservative Party said that he truly respects the great leader [yongdoja] Comrade Kim Chong-il, who is excellently inheriting the revolutionary cause of the great leader [suryong] Comrade Kim Il-song, and stressed that the Colombian Conservative Party will exert its effort to develop friendship and cooperation with the WPK.

Mexican Group Honors Kim Il-song

SK1609134995 Pyongyang KCNA in English 1050 GMT 16 Sep 95

[FBIS Transcribed Text] Pyongyang, September 16 (KCNA) — A badge of honoring the memory of President Kim Il-song was instituted by the Mexican fellowship union to commemorate President Kim Il-song on the occasion of the 50th founding anniversary of the Workers' Party of Korea.

Carved in the badge were magnolia which the great leader President Kim Il-song loved in his lifetime and the national flower of Mexico, which symbolized friendship between Mexico and Korea.

The badge was handed to the Korean ambassador to Mexico by the chairman of the union on Sept. 11.

The chairman said that they would always remember his excellency the great President Kim Il-song with his badge on their chests.

Guyanese Group Displays Kim Il-song Portrait

SK1809044995 Pyongyang KCNA in English 0434 GMT 18 Sep 95

[FBIS Transcribed Text] Pyongyang, September 18 (KCNA) — A ceremony of hanging a portrait of the great leader President Kim Il- song was held by the group for the study of the chuche idea of Comrade Kim Il-song in South Ruimveldt Gardens, Guyana, on September 9.

The portrait of President Kim Il-song was hung on the wall of the group office amid enthusiastic applause of the participants in the ceremony.

The members of the group renewed their resolution to conduct more energetic activities for the study and dissemination of the chuche idea, cherishing deep in their minds the honor of having the portrait of President Kim Il-song in the office.

Syrian Poetry Collection Praises Kim Il-song

SK1909115695 Pyongyang KCNA in English 0431 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — Collection of poems "Always With Humankind" was published in Syria one year after the great leader President Kim Il-song passed away.

The collection consists of epic and memorial poems composed by writers, artistes and other prominent personages of different countries to express unbounded reverence for President Kim Il-song and deep regret at his death.

The composers wrote that the death of President Kim Il-song is the greatest loss not only to the Korean people but also to the world people. With his death the earth has seemed to stop its revolution and peoples have felt a loss of their big mental pillar, they noted.

They stressed that the president, who wisely led the world revolution to stand humankind on the road of independence, was the most prominent of great men.

Though he passed away he is always alive in the hearts of humankind with his immortal feats for the Korean people and the world people, they wrote.

They said that the future of Korea and humankind is bright as they have the great leader Comrade Kim Chong-il, who has fully personified the great ideology and theory and the distinguished leadership ability of respectd President Kim Il-song.

Kim Il-song Called 'Father of Socialist Korea'

SK1909113795 Pyongyang KCNA in English 1022 GMT 19 Sep 95

["President Kim Il-song, Father of Socialist Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — The Korean people are now advancing dynamically for the accomplishment of socialism, closely rallied around the great leader Comrade Kim Chong-il, holding the great leader President Kim Il-song, the father of socialist Korea, in high esteem as the sun of chuche.

Comrade Kim Chong-il said as follows:

"Though Tangun is the father of our nation, the great leader Comrade Kim Il-song is the father of socialist Korea."

In Korea the socialist revolution and construction were started by President Kim Il-song and advanced along the road of brilliant victory under his leadership.

The president founded the immortal chuche idea in his early years and devoted his tireless effort to accomplishing socialism under its banner.

He led the arduous anti-Japanese revolutionary struggle and the fatherland liberation war to victory and thus liberated the country and creditably defended the sovereignty of the country and the nation.

He also wisely led the socialist revolution and construction to build genuine socialism created by the people, the most advantageous socialism of Korean style in which their ideal and desire are brought into practice.

He put forward a famous proposition that communism is the people's power plus the three revolutions, by codifying the theories on the building of socialism and communism, and set a genuine model of socialism in all spheres such as the building of party, government, revolutionary Armed Forces and the economy and culture.

Workers, peasants and other working people, who were maltreated with non rights in the past, are enjoying an independent and creative life to the full.

Of the deputies to the Supreme People's Assembly, workers and peasants account for 47.4 percent and women 20.1 percent.

In the country where the relationship of production was long ago transformed on socialist lines to get rid of exploitation and the popular policies such as free education and free medical care have been enforced, the people lead a happy life, enjoying great benefits from the state.

President Kim Il-song built in this land where once backwardness and poverty prevailed, a powerful socialist industrial state and laid the eternal foundations for the prosperity and development of the country.

Korea is making a dynamic advance under the banner of the three revolutions, ideological, technical and cultural. Communistic traits of helping and leading each other forward dominate over society as a whole and a steady progress is made in the economy and culture.

In the period of the third seven-year plan (1987-1993), the industrial output grew 1.5 times and its annual growth rate reached 5.6 percent on an average. [figures as received]

A signal progress was made in cultural construction. In the period 55 universities and colleges and many higher schools of technology, people's hospitals and specialized medical service establishments made their appearance. Today Korea has 1.73 million intellectuals and 29.7 doctors per 10,000 people.

And dwelling houses for above one million families and service facilities were built, considerably renewing the looks of towns and the countryside.

In fact, no such period as today when Korea sheds its rays over the world, demonstrating its dignity and might has ever been in the 5,000-year-long history of the nation.

All the dignity and honor of socialist Korea today are linked with the august name of President Kim Il-song.

That is why the Korean people say that President Kim Il-song is the father of socialist Korea and that modern Korea is Kim Il-song's Korea.

Middle Eastern Papers Publish Kim Il-song Works

SK1909115595 Pyongyang KCNA in English 0427 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — Famous works of the great leader President Kim Il-song were carried by foreign newspapers.

The Egyptian paper AL-SIYASI printed a portrait of President Kim Il-song and carried his work "Answers to Questions Raised by the General Director of the Latin American News Agency PRENSA LATINA."

His work "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" was carried by the Yemeni paper AL-BALAG AVB, [name of newspaper as received] his work "Report to the Sixth Congress of the Workers' Party of Korea on the work of the Central Committee" by the Algerian paper OUMA [name of newspaper as received].

Foreign Party Leaders Greet Kim Chong-il

SK2009053195 Pyongyang KCNA in English 0429 GMT 20 Sep 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings on the occasion of the 47th anniversary of the Democratic People's Republic of Korea from Chairman of the Executive Committee of the "Working Russia" Movement Victor Anpilov, Chairman of the Executive Council of the Central Committee of the Bulgarian Communist Party (Marxists) Boris Petkov, President of the Socialist Workers' Party of Romania Ilie Verdet, Chairman Victor Sanchez Bilagra and General Secretary Ricardo Esti Garribia of the February Revolutionary Party of Paraguay, Leader of the People's Democratic Movement of Guyana Llewelyn John and from the Central Executive Committee of the Kyrgyzstan Party of Communists.

Messages extend warmest congratulations to Comrade Kim Chong-il on the occasion and wish him a long life in good health.

Messages express the belief that the Korean people will make achievements in the socialist construction and in the work for the independent and peaceful reunification of the country under the wise leadership of Comrade Kim Chong-il.

Sanitation Office Works on Rain Aftermath

SK1909085195 Pyongyang Korean Central Television Network in Korean 1100 GMT 18 Sep 95

[FBIS Translated Text] The Taedonggang District Sanitation and Disease Prevention Office has been vigorously carrying out work for the September-October sanitation months.

[Begin unidentified female recording] I think vigorously carrying out work for the September-October sanitation months is very important in removing traces from the rain and providing streets, villages, work sites, and homes with more modern amenities and sanitation.

Moreover, when the 50th anniversary of the party's founding nears, vigorously carrying out work for the September-October sanitation months is more important than at any other time. Therefore, our Taedonggang District Sanitation and Disease Prevention Office is scrupulously carrying out work for the September-October sanitation months.

We have mapped out concrete plans that we must implement during the September-October sanitation months. And officials have personally visited villages, people's units, and plants and enterprises and vigorously carried out sanitation work.

Comrades Kim Yong-hui and Choe Pu-sik and other officials of the disease prevention office have visited various areas and vigorously carried out propaganda work on sanitation in various forms and methods. They have also positively helped provide streets, villages, and homes with modern amenities and sanitation. They have also carried out work to [words indistinct], have public catering establishments thoroughly abide by sanitation guidelines, and repair and do maintenance on cultural, service, and commercial facilities. As a result, traces left by the rain spell have been completely removed in people's units of Chongnyu 1-, 2-, and 3-tong, Ongnyu 3- tong, and all other tong of the district, and housing areas and children's parks have been provided with more modern amenities and sanitation.

Also, [words indistinct]; corridors and verandas of houses have been repainted; parks and resorts in the district have been maintained in a more cultural manner; and plants and enterprises have thoroughly established cultured ways in production and life.

We will more vigorously carry out work for the September-October sanitation months to positively contribute to the work of celebrating the meaningful 50th anniversary of the party's founding in a more cultural and sanitary environment. [end recording]

Kangwon Workers Collect Scrap Iron in Spare Time

SK1609141195 Pyongyang Korean Central Television Network in Korean 1100 GMT 15 Sep 95

[FBIS Translated Text] Officials and workers of various offices, plants, and enterprises in Kangwon Province have been carrying out innovations at their work sites. While doing so, they have collected much scrap iron during their spare time and sent it to steel mills.

Realizing the importance of the work of collecting scrap iron, they have vigorously carried out this work as an all-people movement. Recently, they went to steel mills carrying approximately 70 truckloads of scrap iron and greatly encouraged steel mill workers who were upholding our party by producing steel products.

Railways Report More Cargo Freighted

SK1809123195 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Sep 95

[FBIS Translated Text] The working class of the railway transport sector, which has launched itself into implementing the party slogans on the 50th anniversary of the founding of the Workers Party of Korea, is expanding its success in increasing freight with the grand festival of October approaching.

Upholding the party's militant call on raising the blaze of the freight revolution to freight cargo in larger quantities and more rapidly, the freighting fighters of the locomotive units across the country concentrated their efforts on freighting various important goods necessary for various sectors of the people's economy, such as coal, cement, and fertilizer. In doing so, in the past four month-odd period since the issuance of the party's slogans they effected an innovation of freighting 1.3 million tonnes of cargo more than the target amount in terms of the total statistics of the Railways Ministry.

Electronic, Automation Achievements Viewed

SK1909152095 Pyongyang KCNA in English 1514 GMT 19 Sep 95

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — Signal achievements were made in socialist economic construction under the leadership of the Workers' Party of Korea in the past 50 years.

Electronic and automation industry was founded in the period. It has rapidly developed since.

According to O Su-yong, first vice-chairman of the State Commission of the Electronics and Automation Industry, Korea's electronics and automation industry has entered a new, higher stage of its development in the wake of the 14th Plenary Meeting of the Sixth Central Committee of the Workers' Party of Korea in November 1988.

Discussed at the plenary meeting was a question for an epoch- making development of the nation's electronic and automation industry.

Later, big efforts were made to develop numerical control (NC) machine tools of new type, digital multi-purpose processing machines, numerical control devices of the latest type, extra-large IC [integrated circuits], electronic computers of various types and push ahead with their industrialisation.

Particular efforts were directed to the industrialisation of the production of IC so that it has been mass-produced.

Hundreds of kinds of electronic and automation elements and apparatuses were developed and bases to turn them out were set up in different parts of the country as well.

In recent years IC and electronic elements were developed and the production bases were built to upgrade the electronic industry.

The Korean computer center was commissioned into operation in October 1990, the mission of which is to develop various kinds of programmes, disseminate computer techniques, promote the introduction of ultra-modern technology in production, supply the latest information and materials and develop electronic equipment of new type.

The establishment of the Pyongyang informatic centre in 1991 has been a contribution to the introduction of electronic computers in production processes in different sectors of the national economy and their business activities.

A drive has been dynamically promoted to introduce automation and remote control system in various domains of the national economy, including iron and steel works and thermal power plants.

This year, too, hi-tech machines have been introduced in machine, textiles, power and many other industries.

The rapid development of electronics and automation industry gives a strong impetus to the chuche-orientation, modernisation and scientisation of the national economy.

"Electronic multiplier," "compound semiconductor" and others from the DPRK were highly appraised at international invention and new technology shows held in recent years.

Editorial Urges Unity Around Kim Chong-il

SK2009100595 Pyongyang Radio Pyongyang in Korean to South Korea 0032 GMT 9 Sep 95

[NODONG SINMUN 9 September editorial: "Let Us Make the Republic Ever Prosperous, United Closely Around the Great Leader [Yongdoja]"]

[FBIS Translated Text] Today our people are welcoming the felicitous national holiday amid the majestic environment of vigorously struggling to elucidate the 50th anniversary of the party founding as a grand festival of the victors by firmly uniting around the party and leader [suryong].

On the occasion of this significant day, all of our party members, officers, men of the People's Army, and people are endlessly recollecting with reverence the gloriously brilliant revolutionary struggle history of the great leader Comrade Kim Il-song in which he devoted his whole life for the founding of our Republic and its strengthening and development. They are overflowing with the firm determination to all the more vigorously work for the prosperity and development of my country and my fatherland in accordance with the leadership of the respected and beloved Comrade Kim Chong-il. To our people, the Republic is the great leader's [suryong] bosom.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out that the great leader [suryong] founded and guided our Republic, thus providing today's happiness to our people.

The great leader Comrade Kim Il-song is the founder and builder of the DPRK and the originator of socialist Korea. In the struggle process of embodying the leader's [suryong] leadership trait by regarding the great leader's [suryong] revolutionary ideology as a guideline, our Republic was strengthened and developed into the invincible revolutionary regime it is today. This is the source of the Republic's high authority, the absolute authority of the fatherly leader, the future of the Republic, and the leader's [suryong] eternal life. Along with our Republic's infinite prosperity, the great leader Comrade Kim Il-song is eternal. This is indeed the exact faith which our people deeply bear in their hearts while welcoming the second national holiday since the leader's death.

Forty-seven years ago — 9 September 1948 — was the day of the great leader Comrade Kim Il-song's immortal historic achievement in which he founded our Republic. With the founding of our Republic, for the first time in history our people became true masters of the state and society, and strong and dignified people pioneering their fate independently and creatively, and our Korea honorably emerged on the world arena as a fair and square independent state.

On this land where backwardness and poverty were dominant in the past, a strong chuche socialist country shining with independence, self-dependence, and self-defense was established, and socialism of our own style is pressing hard on the heels of the enemy while vigorously manifesting the might of the invincibility of our-style socialism. These are linked with the historic day when our Republic was founded.

Though tens of million of years may pass, we will not forget the great leader's benevolence in which he found the lost fatherland in the revolutionary struggle road by bearing the fate of the fatherland and nation by himself and establishing the true people's regime, which our people so much yearned for during the most gloomy days under the Japanese imperialists.

For almost half a century from the day it declared its founding, our Republic has walked a proud road, illuminating this road with victory and glory. This course was a worthwhile course of creation and building in which our Republic was strengthened and developed into an invincible revolutionary regime under the great leader [suryong], the great leader's [yongdoja] refined leadership, and in which epoch-making miracles and changes took place in all fields of socialist construction.

The great leader Comrade Kim Il-song always bestowed great significance on strengthening and developing the Republic, and wisely lead the work to enhance its function and role in all directions at every period and every stage of revolution and construction.

The unique theories presented by the great leader [suryong] during the days he strengthened our people's government, including the theory on embodying the principle of independence, self-reliance, and self-defense in all sectors of state activities; the theory on thoroughly implementing the revolutionary line on the masses; and the theory on strengthening the unified guidance on society and fulfilling the role of the people's servants by the functionaries of the people's government are the source of our Republic's invincibility.

Thanks to the wise leadership of the great leader [suryong], our Republic Government has been able to excellently fulfill its mission and role as the weapon for socialist construction and servants for the people and display its dignity as the most solid and superior government, despite all sorts of trials of history. In particular, the most brilliant achievement of the great leader [suryong] Comrade Kim Il-song made for our fatherland and people is to have provided a firm and long-lasting basis for our Republic Government to endlessly prosper following the respected and beloved great leader [yongdoja] Comrade Kim Chong-il.

The great leader [suryong] had scientific insight on the inevitability of the cause of building a government of the working class. Based on that insight, he prospectively led the struggle to prosper the Republic and dedicated unmeasurable effort to strengthening and developing our people's government into a mighty political weapon that upholds to the end our party's ideology and leadership.

Today, the leadership system of the party is solidified inside the people's government and all struggles and activities of the people's government thoroughly follow the ideology and intentions of the great Comrade Kim Chong-il. Having witnessed this proud reality, our people have become better aware of the greatness of the fatherly leader, who led our people's government with his far- sighted wisdom and outstanding predictions.

The immortal achievements of the great leader [suryong] Comrade Kim Il-song, who lived a long and turbulent life only for the fatherland and the revolution, for the happiness of generations of descendants, and for the independence of the world, and who built up our Republic Government and strengthened and developed the government into an invincible one, will shine forever along with our Republic's endless prosperity.

The proud passage of our Republic is shining as the history of the wise leadership of the great leader [suryong] Comrade Kim Il- song, as well as the history of the energetic struggle and activities of the respected and beloved Comrade Kim Chong-il. It has been decades since the great leader [yongdoja] Comrade Kim Chong-il began shouldering the destiny and future of our fatherland and revolution and leading our Republic. During those days, the respected and beloved Comrade Kim Chong-il has brilliantly embodied the great leader's [suryong] chuche-based ideology and theory on government construction and has grasped absolute power as a tested leader [yongdoja] and defender of our Republic. Although the great leader [suryong] Comrade Kim Il-song, the founder of the Republic and father of the country, has left us, our people's government has been able to adhere to the chuche lineage because we have the respected and beloved Comrade Kim Chong-il, who brilliantly inherits the leader's [suryong] cause for government construction.

Our people's government's appearance and struggle ethos is to adhere to the revolutionary ideology of the great leader [suryong] Comrade Kim Il-song — the chuche idea — as the eternal guiding ideology, and to carry out all struggles and activities in the style of the leader [suryong] as the fatherly leader taught us during his lifetime. Today our people have the sacred task of further strengthening the might of the Republic, which was founded, strengthened, and developed by the great leader [suryong] Comrade Kim Il-song, and to complete to the end the socialist cause. Our people have passed over high water and mountains along with the Republic Government on the arduous and staunch road of revolution. They have learned by heart the value of the Republic Government.

All party members and working people should firmly unite around the party and vigorously advance the general march to accelerate the socialist cause following the Republic banner.

We must first of all hold high the great leader Comrade Kim Il-song for generations and uphold respected and beloved Comrade Kim Chong-il's idea and leadership with loyalty. The people's ardent patriotism is linked to their admiration for the founding father. Our people more and more ardently yearn for the leader [suryongnim], considering the Republic to be the great leader's embrace. Holding high the fatherly leader for generations enables our people to endlessly enrich and develop our Republic.

All party members and workers must firmly believe that our Republic is ever-victorious because the fatherly leader's idea is great, his virtue is noble, and his achievements are immortal. They must also uphold the leader [suryongnim] as the founding father and the sun of chuche. We must resolutely defend and glorify, generation after generation, the immortal achievements which the great leader brought about in the course of the long and arduous revolutionary struggle to strengthen and develop the Republic and enrich and develop it.

Great Kim Chong-il is the symbol of the dignity and invincibility of our Republic.

We are upholding great Kim Chong-il, who is renowned worldwide as an outstanding ideologist and theoretician, a politician, a genius in leadership, and an ever-victorious iron-willed commander, in the vanguard of our Republic. This is the source of our people's greatest happiness.

All party members and workers must cherish deep in their hearts the honor and happiness of being blessed with a leader [suryong] generation after generation and uphold great Comrade Kim Chong-il with loyalty forever. We must more firmly believe that as long as there is the great leader [yongdoja] Comrade Kim Chong-il, no one will be able to touch the sovereignty and dignity of our Republic, and no matter how grueling the trials we may face, we can complete the chuche revolutionary cause to the end.

We must always cherish the fatherly leader's behests in our hearts and unite, unite, and unite around great Comrade Kim Chong- il. We must also strengthen, by all means, the might of our single- hearted unity while upholding the leader's [yongdoja] idea and leadership with loyalty.

Strengthening the people's government and endlessly enhancing its function and role, as well as thoroughly carrying out the three revolutions — ideological, technological, and cultural — is a general line of socialist construction that the great leader Comrade Kim Il-song presented. We must further consolidate the most superior government of our-style revolution — a government which we ourselves chose and founded — as a powerful weapon in revolution and construction.

We must establish in the people's government a revolutionary discipline and order under which we move in unison under Comrade Kim Chong-il's leadership. We must also carry out all activities for strengthening the people's government only according to the party's intentions. In hearty response to the party's slogan "We serve the people!", officials of the people's government must always go among the masses, share the same life and destiny and joy and sorrow with them, and pool all their wisdom and energy to realize the popular masses' demands and interests. In so doing, we must positively contribute to further enhancing the function and role of the people's government as one which represents the popular masses' independent rights, the organizer of their creative abilities, the defender of the people's lives, and the defender of the people.

Upholding the three revolutions — ideological, technological, and cultural — and scoring endless upsurges in all areas of socialist construction is a worthwhile work for achieving our Republic's endless prosperity and development.

We should have a tight grip on the chuche-oriented theory on ideology and vigorously wage the ideological revolution with a view to further consolidating the ideological position of our socialism and to bring up all the members of society as true chuche-type communist revolutionaries, as well as ardent patriots. Along with this, we should brilliantly blossom and develop the socialist national culture and resolutely smash the ideological and cultural infiltration by the imperialists and the reactionaries by expediting the cultural revolution.

Today, our party calls on all the people to effect new upsurges in the struggle to accelerate the socialist construction in single- hearted unity. All the party members and working people should highly display mass heroism at all the fronts of socialist construction. All domains and units of the national economy should thoroughly implement the great leader's [suryong] teachings given to their domains and units, and bring about a new turn in production and construction.

By thoroughly implementing the party's revolutionary economic strategy, we should realize without fail the lifetime intentions of the fatherly leader who devoted his soul to momentously promoting our people's standard of living, and should further display the superiority of socialism of our own style.

With the 50th anniversary of the founding of the party imminent, the entire party members and working people should powerfully wage the struggle to prepare a bigger gift of labor for the motherly party. Reunifying the divided fatherland is the most desperate task arising before the Government of the Republic and the entire Korean people. Our Republic is a true representative of the Korean nation which has been built in conformity with the unanimous will of the entire Korean people. Our Republic has consistently worked hard to achieve the cause of reunifying the fatherland and to establish complete sovereignty on a nationwide scale since the first day it was founded.

However, now, 50 years after the country was divided, it is still unable to achieve reunification due to the maneuvers of the separatist forces within and without. By blocking with guns and bayonets the grand national reunification festival celebrating the 50th anniversary of national liberation, the Kim Yong-sam ring once again revealed its true colors as a traitor and a betrayer of the nation who does not want the country's reunification.

It is an unbreakable truth that patriotism prevails over treacherous acts, and that he who betrays his country and nation will receive a stern judgment from history. Upholding the fatherly leader's behests on national reunification, all the fellow countrymen in the North, the South, and overseas will firmly unite under the banner of national reunification, thereby unfailingly realizing the noble cause of national reunification.

Strengthening solidarity with the international revolutionary forces is a consistent policy of our party and the government of the Republic. Our Republic will, as in the past, actively strive to develop relations of amity and neighborliness with all the countries around the world.

Today, endlessly bright prospects lie on the future road of our Republic, which is marching ahead under the great leader [yongdoja] Comrade Kim Chong-il's leadership. Being firmly rallied around the great leader [yongdoja] and striving for the just cause, our people will always be victorious. All the people should powerfully march ahead for the independent reunification of the fatherland and the prosperous enrichment of the Republic, deeply bearing in mind the great glory of living and carrying out the revolution while upholding the great leader [yongdoja] Comrade Kim Chong-il.

Article on Kim Chong-il, Intellectuals

SK2009122195 Pyongyang KCNA in English 1030 GMT 20 Sep 95

["Important Work on Intellectuals' Position and Role in Revolution and Construction" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 20 (KCNA) — NODONG SINMUN today dedicates an article to the fifth anniversary of the publication of the famous work "Let Us Further Enhance the Role of Intellectuals in the Revolution and Construction" of the great leader Comrade Kim Chong-il.

The author of the article says:

In the work published on September 20, 1990, Comrade Kim Chong-il gave a new exposition of the intellectuals' position and role in the revolution and construction and fully explaind the validity and vitality of the unique policy of the Workers' Party of Korea towards intellectuals, their mission and duty and ways of making them creditably discharging their mission and duty.

The ideas and theories expounded in the work have displayed great vitality in our revolutionary practice for their originality, scientific accuracy and revolutionary characteristics, serving as a powerful ideological and theoretical weapon which powerfully promotes the socialist cause of chuche.

The great significance on the work finds expression, first of all, in that it was the first in history to define the intellectuals as a component of the driving forces of the revolution and put them on the highest position.

The significince finds another expression in that the work gave a scientific exposition on their role in the revolutionary struggle and the development of society.

In the work Comrade Kim Chong-il said the intellectuals are the motive force of the revolutionary struggle and the social development.

The significance of the work is manifested also in that it clearly indicated the way of making the intellectuals take a position and discharge a role befitting the driving force of the revolution.

By making clear that only under the leadership of the working- class party, the intellectuals can take a position as the driving force of revolution and fully discharge their role in the revolution and construction, the work makes it possible for them to remain faithful to the revolution in any adversity.

South Korea

'Little Progress' Anticipated at Auto Talks

SK2009013495 Seoul THE KOREA TIMES in English 20 Sep 95 p 8

[Report by staff reporter No Chun-hun: "Seoul, Washington Anticipate Tough Going at Automobile Trade Talks"]

[FBIS Transcribed Text] Even as two days of talks on the automobile dispute between Korea and the United States get underway in Washington this morning (local time), the two sides anticipate little progress being made.

In testimony to the hardline stance of the U.S. government, U.S. Trade Representative [USTR] Mickey Kantor hinted that sanctions are inevitable should no acceptable market opening measures be offered before the end of the month.

Amid the tension, Washington is pressing for access to at least 5 percent of the Korean car market, estimated at about 1.2 million units, but the Korean delegation is adamant against further reductions in import tax.

Informed sources in Washington said the USTR is seeking a reduction in the current import tax of 8 percent, approximately the same as the level imposed in most foreign countries, to as low as 2.5 percent.

Korea recently announced that the excise tax on luxury automobiles with engine capacities of more than 2000cc will drop from 25 percent to 20 next year but that no further tax or tariff reductions can be considered.

There had been speculation that the Korean delegation was prepared to make major concessions in view of the fact that the U.S. presidential elections are due next year but it was clear tax and tariff cuts were out of the question.

On the other hand, Han Tok-su, deputy minister for trade, industry and energy, has said preparations have been already made to take the dispute to the World Trade Organization should the U.S. decide to apply sanctions.

In an effort to seek a compromise, however, the Korean negotiating team, led by Han Yong-su, MOTIE's [Ministry of Trade, Industry and Energy] director general for international trade, is learned to be assuming a flexible attitude to other possible demands.

These include the lifting of regulations on the establishment of financing companies for installment purchases and accepting the technical evaluations of cars carried out in producer countries under what is known as homologation.

At the current pace, with the two sides sitting at the opposite end of the seesaw on critical issues, there is a strong possibility that the U.S. will choose to impose sanctions as it did in the case of its auto dispute with Japan.

Auto experts said it will be difficult to reach a breakthrough in the negotiations, considering the unique conditions of the Korean market and the desperate desire of Washington to bring Korea to its knees.

"Even if we were to accept all U.S. demands, it is impossible to guarantee a certain market share to American automakers. And, the fact is we are really not seeking to discriminate against American cars," one MOTIE official said.

The official, who asked not to be identified, said the Korean automobile industry is strong enough to accommodate imports of 5 percent, which comes to around 60,000 units, but the question is whether or not importers have the market.

"At present, there are no regulations that prohibit the active marketing of imported automobiles. It is basically an issue of importers being unable to bring their products to consumers under competitive conditions," the official observed.

He went on to say that the market share of imported vehicles has been on an increase from 0.34 percent last year to 0.62 percent in the first half of this year with the percentage of over-2,500cc units rising to 19.16 from 10.29.

Meanwhile, a delegation from the Korea Automobile Manufacturers Association [KAMA], headed by chairman Han Sung-chun, left for Washington yesterday for dialogue with representatives of the American Automobile Manufacturers Association.

KAMA officials said the lack of communications with the KAMA's U.S. counterpart is to blame for the deadlock and that the delegation will explain recent changes in the Korean market and seek long-term means of resolving outstanding issues.

Seoul Presents Nuclear Convention Ratification

SK1909075095 Seoul YONHAP in English
0658 GMT 19 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 19 (YONHAP) — South Korea Tuesday presented to the International Atomic Energy Agency (IAEA) its ratification of the convention on nuclear safety which aims to guarantee security of nuclear facilities around the world, a Foreign Ministry spokesman said.

South Korea plans to contribute to the enhanced security of nuclear facilities around the world, as well as in the country, by presenting its ratification of the convention on nuclear safety to the IAEA, the spokesman said.

The convention will take effect 90 days after the 22nd signatory to the convention submits its ratification to the IAEA, he said.

All 17 countries which have more than one nuclear power plant should be included among the 22 signatories before the convention takes effect.

As of Sept. 6, eight countries including Japan and Norway presented their ratifications to the IAEA.

DLP Rejects Aid to North Sans Formal Request

SK2009064795 Seoul YONHAP in English
0544 GMT 20 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 20 (YONHAP) — The administration and the ruling party are still divided over whether relief aid should be offered to North Korean flood victims without a formal request from Pyongyang.

The National Unification Ministry maintains that South Korea, as a member of the international community, should extend 2 million U.S. dollars to the North to help the communist country overcome the flood damage it recently sustained even if Pyongyang makes no formal request for it, while the Democratic Liberal Party [DLP] insists that since the public is against it, no assistance should be given without a formal request.

The ruling DLP discussed the matter again at an executive council meeting Wednesday morning, concluding that "no flood relief would be offered to the North under the present circumstances, in which the public sentiment does not wish it, nor has the North asked for it formally, and Pyongyang has yet to respond to pending issues involving our rice aid to the North."

On the other hand, Deputy Prime Minister and National Unification Minister Na Ung-pae testified before the National Assembly Unification and Foreign Affairs Committee Tuesday, saying, "in view of precedents including one in which South Korea gave relief assistance to Japan following the earthquake that hit the Kobe region earlier this year, it is possible for South Korea to provide flood relief to the North through a United Nations Agency or the International Federation of Red Cross, as a member of those organizations without North Korea having to formally request it."

The administration and the ruling party are set to iron out their differences over the matter at a joint meeting on foreign affairs Thursday with National Unification Minister Na and DLP Chief Policymaker Kim Chongho attending.

Kim Chong-il's Security Force Strengthened

952C0175A Seoul NAEWOE TONGSIN in Korean No. 961, 13 Jul 95 pp E1-E4

[FBIS Translated Text] North Korea is very much edgy about the personal safety of Kim Chong-il.

Security measures are being tightened against any possible danger to his personal safety as he steps up his activities at home.

According to the recent edition of the Russian weekly NOVOYE VREMYA, Kim Chong-il came very near to being killed in April, when there was a terrorist attack on him by a member of an intelligence agency.

Since this incident, North Korea has reshuffled Kim Chong-il's security force wholesale, while tightening security measures for his personal safety.

Reportedly, there has been a string of terrorist attacks on Kim Chong-il, although there is no way of corroborating them in the absence of official announcements.

When Kim Il-song visited the Soviet Union in May 1984, there was an anti-Kim Chong-il incident inside the party and the military, forcing then minister of the People's Armed Forces O Chin-u to return home hastily. In early 1992 three field-grade officers, including a regimental commander, and 10 members of the State Security Department were executed in public when their plot against Kim Chong-il was uncovered. These officers were opposed to his appointment to the post of supreme commander of the People's Army.

In February 1994 more than 10 officers at "Kang Kon General Military Academy" were reportedly "condemned to the stake" when their plot to assassinate Kim Chong-il was uncovered.

In an effort to counter the dangers of terrorism like these, Kim Chong-il has carried out all his political activities in secret, and the windows of all buildings looking out on the party Central Committee headquarters (in Changgwang Street) have been ordered boarded up.

Currently, Security Department 2 of the General Bureau of Security (headed by Vice Marshal Yi Ul-sol) under the Ministry of People's Armed Forces [MPAF], is in charge of the personal protection of Kim Chong-il. The total troop strength of the General Bureau of Security is estimated at about 50,000. Of these, only those core members who are strong in party spirit and physique are charged with the security duty to protect the personal safety of Kim Chong-il and other members of the party Political Bureau and their offices and official residents.

To be more specific, Security Department 1 of the General Bureau of Security was in charge of the personal protection of Kim Il-song, who died in July 1994; Security Department 2 is in charge of guarding the safety of Kim Chong-il; and Security Department 3 in charge of the personal protection of Political Bureau members and other important officials.

Besides the security apparatus of the General Bureau of Security, Kim Chong-il operates his personal "secret bodyguards" and keeps an eye on the activities of high-ranking party officials and military officers through secret intelligence agents planted in party, government, and military organizations.

Reportedly, Kim Chong-il organized his secret bodyguards toward the end of 1991.

Kim Chong-il felt uneasy about his own safety and hastily organized his secret bodyguards in view of the fact that the Soviet Union and East European socialist countries collapsed one after another in 1989, and in view of the fact that [in North Korea] there was unrest among the populace because of economic difficulties. On top of that, conspiracies against the establishment and plots to assassinate him by some members of the military were uncovered.

This secret bodyguard unit was named "2.16 Unit," with the number taken from his birthday, 16 February. The number of the personnel of this bodyguard unit is estimated at about 2,000.

Kim Chong-il reportedly organized his bodyguards after the example of Romania's Ceaucescu, who organized orphans as his bodyguards.

Kim Chong-il selected 2,000 graduates of the "Mangyongdae Revolutionary Institute" and "Kang Pan-sok Revolutionary Institute" from among former Korean War orphans and the children of fallen revolutionaries. Praising them as "the children of the party who carry the pure bloodline of communism," he made them pledge that they would be ready to give their lives to be loyal to him.

Their written pledge reads as follows:

"We solemnly pledge to fight with a steadfast conviction that it is an honor all the same for us to either live or die as the personal guards of the respected and beloved Comrade Kim Chong-il, defending and protecting him with our lives."

Of the members of the 2.16 Unit, about 200 protect Kim Chong-il at close quarters, and approximately 20 of these are said to excel in the traditional Chinese martial art, "kung fu."

Besides the 2.16 Unit, Kim Chong-il has a profound faith in the combat personnel of the Korean Workers' Party [KWP] Department of Operations (headed by Gen. O Kuk-yol) for the protection of his position of power.

Kim Chong-il is said to have come to trust these combat personnel as a counterweight against the General Bureau of Security because members of this bureau were involved in aborted plots to assassinate him despite the fact that he had expanded the organization and functions of the bureau in an effort to reign in the powerful military.

Kim Chong-il trusts in these combat personnel at the highest degree.

Kim Chong-il is said to have issued a secret instruction in February 1993 or thereabout stating that "the unit ready to defend the party and thwart any revolt to the end is none other than the combat personnel of the KWP liaison office."

In accordance with Kim Chong-il's secret instruction, the personnel of this unit are being trained with the focus on maintaining the readiness and capability to instantly put down any action dangerous to the establishment or any coup attempt by personnel in the military, in the General Bureau of Security, in the State Security Department, or in any other organ of power.

The combat personnel of the KWP Department of Operations were originally organized as a special operations unit to escort and guide South Korea-bound spies or to stage guerrilla operations in time of war. They number about 1,000.

Aside from protecting his personal safety, Kim Chong-il organized a separate secret organization in the State Security Department, called the "Special Mission Group," to watch and keep tabs on the ideological trends of high-ranking party, government, and military officials inside the party Central Committee, the State Administration Council, and the MPAF. He also set up a direct telephone line, known as "dial 7," to hear reports directly from members of the Three Revolutions Teams, who are supposed to report to him on any anti-establishment and anti-party case.

The Special Mission Group is a special investigative organization whose members, who literally carry Kim Chong-il's "special letter of credence," have free access to the party Central Committee, the State Administration Council, the MPAF, and the General Bureau of Security. They can ask any officials of these organizations, irrespective of rank, for cooperation or to conduct secret or on-the-spot factual investigations. They repot the results directly to Kim Chong-il.

The Special Mission Group consists of 15 members selected by personally by Kim Chong-il. They come from those personnel of the State Security Department who are at the section-chief level (full colonel) and who have gained rich experience and rendered distinguished services in ferreting out and investigating anti-party and counterrevolutionary elements.

As security measures for Kim Chong-il's personal safety strengthened, friction recently intensified among security officers of Security Departments 1, 2, and 3 and ordinary military officials.

The friction between the security officers of Security Departments 1 and 2 stems from the fact that while the personnel of Security Department 1 have been out in the cold since Kim Il-song's death, members of Security Department 2 have been wielding awesome power and have been promoted to higher positions.

For this reason, the word that "Security Department 2 is more powerful than Security Department 1" is spreading not only among the personnel of the State Security Department, but also among other party and government organizations.

Abuse of power and influence peddling by military officers of Security Department 2 is growing more and more conspicuous in frontline units.

In March 1993, Kim Chong-il dispatched young middle-grade and senior officers of Security Department 2 to the Army Corps to keep an eye on the moves of frontline unit commanders.

These young officers dispatched to the Army Corps make the rounds of frontline units driving their jeeps that are supplied under the "special consideration" of Kim Chong-il. They are behaving audaciously and committing irregularities, such as extorting food, home appliances, and foreign currency from the commanders.

Their vehicles are distinguished from vehicles used by ordinary military officers because they carry the serial numbers (216-xxxx), with the first three digits taken from Kim Chong-il's birthday, 16 February.

Friction between the security officers of the General Bureau of Security and ordinary military officers over their salary differences is very acute, because the former draw 300 won (the salary of senior officers used as the basis of comparison) while the latter draw only 100 won.

Daily Criticizes Policy on Flood Aid to North

SK2009110395 Seoul CHOSON ILBO in Korean 20 Sep 95 p 3

[Editorial: "We Should Stop Talking About an Official Request"]

[FBIS Translated Text] We can understand the government's position because it cannot decide whether to give relief aid to North Korea for the flood damage there. The people have varying views on the provision of relief aid to North Korea, ranging from the view that "we should unconditionally provide relief materials to North Korea first at the brotherhood and humanitarian level" to a theory that strongly objects to helping North Korea, as if to say: "How dare we consider providing aid to North Korea despite the fact that we were so insulted when we last tried to give it rice aid." There is no way for the government to avoid difficulties in determining policy on this issue. It might be good for us, both the North and South, if we could immediately provide relief materials — such as food, pharmaceuticals, and clothing — to North Korea based on consensus among the people following an official request from the North Korean side. Nevertheless, North Korea has remained silent.

However, it is not appropriate to frequently and disgracefully act as if we are urging North Korea to make an official request. We have already disclosed our intent to provide relief aid to North Korea, but it has remained silent. We believe this originates from its strategic calculations. However, despite the fact that the $2 million in flood aid to North Korea — the amount originally set by the government — was limited to $50,000 during the session of the high-level post officials of the Democratic Liberal Party on 14 September, Na Ung-pae, deputy prime minister and minister of the National Unification Board, expressed the opinion on 18 September that "we can provide approximately $2 million to North Korea, even if North Korea does not make a request." If it is not true that North Korea has remained silent because it cannot hear what South Korean officials are saying, is it necessary for us to repeatedly ask for an "official request" by adding some attractive contents to the same story, while intentionally disclosing the differences in opinion between us? Perhaps North Korea may enjoy the deed our government has shown.

On many occasions we have played into North Korea's hands as we showed hastiness in relations with North Korea. There are cases in which tasks — which would have been achieved if we had approached them with a dignified attitude — remained unsettled due to our hasty attitude that failed to look into the situation. Concerning relief aid to North Korea, the government is not likely to approach North Korea, based on the government's consistent policy toward North Korea. This is like desperately waiting for some good things to happen for the government in North-South relations in case North Korea makes a formal request. North Korea is in a hasty situation to receive a considerable amount of any relief materials as soon as possible, but the South Korean authorities' hasty attitude toward North-South relations is undesirable.

In this case, we cannot provide relief assistance to North Korea. Needless to say, North Korea should change its attitude first. It has been proven that expecting that North Korea will change its attitude if we make eyes at the North Korean side every day is dreaming. Now, it is better for the government to comprehensively review all problems and provide relief assistance to North Korea via an international organization, if it believes this would be good. Otherwise, it should quietly wait until North Korea makes an official request. It will lose its dignity more and more if it tries to receive an official request by indirectly disclosing its intention to provide aid to North Korea.

Chong Kun-mo To Attend IAEA Plenary Session

SK1609031095 Seoul YONHAP in English 0250 GMT 16 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 16 (YONHAP) — South Korean Science and Technology Minister Chong Kun-mo will express grave concern over recent nuclear tests conducted by two nations at the International Atomic Energy Agency's (IAEA) 39th plenary session.

The ministry announced Saturday that Minister Chong will deliver a speech to the session urging countries to immediately stop testing nuclear weapons. The session is to be held in Vienna from Sept. 18-22.

The two nations which recently held nuclear tests, China and France, aroused strong protests from a number of other countries and environmental organizations.

Chong will also stress in his address that the IAEA's inspection role over North Korea's implementation of the nuclear Nonproliferation Treaty (NPT) should be further strengthened.

In addition, the minister will urge North Korea to accept the IAEA's safety measures and to secure the transparency of its nuclear development.

In order to secure South Korea's nuclear safety, Chong will announce Seoul's ratification of the Nuclear Safety Convention to the IAEA Secretariat.

At the session, South Korea may be elected to the IAEA's regional board of governors, while it plans to make efforts to become a permanent member of the IAEA Board of Governors, a ministry official said.

Meanwhile, Minister Chong will hold a series of meetings in Vienna with chief delegates from eight countries, including the U.S. secretary of energy, Japan's science and technology minister, the president of Canada's Atomic Energy Control Board and the president of the China National Nuclear Industry Corp., to discuss ways to cooperate in the atomic energy field.

After the plenary session, Minister Chong will visit Poland to participate in the first Korea-Poland joint commission on science and technology, on Sept. 22 in Warsaw, where he will discuss ways to cooperate with the former communist nation in the fields of material development, chemistry, machinery and life science.

Chong is scheduled to depart Seoul on Saturday afternoon and return on Sept. 24.

Prime Minister Departs for Economic Summit

SK2009021095 Seoul YONHAP in English
0155 GMT 20 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 20 (YONHAP) — South Korean Prime Minister Yi Hong-ku departed for Singapore Wednesday morning to attend the '95 Europe-Asia economic summit currently being held there under the auspices of the World Economic Forum.

In an address entitled "Strategic Collaboration Between Europe and East Asia Oriented Toward the 21st Century," the prime minister is set to deliver at the conference Thursday, Yi will stress the need to reinforce economic ties between the two regions as well as cooperation in other fields in addition to introducing South Korea's globalization efforts.

While in Singapore, the prime minister is also scheduled to meet with Singaporean Prime Minister Goh Chok Tong, the European Union's Deputy Executive Committee Chairman Leon Brittan and Norwegian Prime Minister Gro Harlem Brundtland.

Over 100 top government leaders including Indonesian President Suharto and some 500 financial leaders are expected to participate in the meeting to discuss ways to promote European and Asian industrial, environmental and economic cooperation.

South Korean representatives at the conference include Chey Chong-hyon, chairman of the Federation of Korean Indusrtries, Yu Chang-hui, director of the Korea Institute of International Economic Policy, Hyon Hong-chu, former ambassador to the United States, Cha Tong-se, director of the Korea Development Institute, and Yi Pong- So, vice president of the Asia Development Bank.

The prime minister is being accompanied on the tour by his Chief Secretary Song Tae-ho and Director-General Kim Ha-jung of the Foreign Ministry's Asia-Africa bureau.

Prime Minister Yi is scheduled to return home Friday afternoon.

International Support for UNSC Bid Cited

SK2009102195 Seoul YONHAP in English
0752 GMT 20 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 20 (YONHAP) — As many as 167 countries have so far expressed their support for South Korea's bid to join the United Nations Security Council (UNSC), a Foreign Ministry spokesman said Wednesday.

The number far exceeds the minimum two-thirds of the total 185 member countries of the United Nations required for the country to join the UNSC.

The ministry expects about 165 countries out of the total member countries will attend the UN General Assembly where the vote will be held deciding South Korea's entry into the UNSC in late September or early October.

"There will be no major hurdles to South Korea's joining the UNSC as Sri Lanka withdrew its candidacy for the seat allocated for Asia last May," the spokesman said.

Article Views 'Problems' in Military Discipline

SK1909083995 Seoul MUNHWA ILBO in Korean
19 Sep 95 p 2

[Article by Kim Chong-nak: "Problems in the Management of Military Discipline"]

[FBIS Translated Text] A deputy platoon commander (sergeant first class), who was in service at a guard post in the DMZ [demilitarized zone], recently defected to North Korea after disarming soldiers of his platoon. Following this incident, which indicates problems in the management of soldiers' discipline, many officers, including the platoon commander, as well as soldiers were arrested for neglecting their command duties. Nine commanding officers, including company, battalion, and regimental commanders, were referred to the Disciplinary Committee.

According to the Army, on 19 September the Army investigated the 4 September defection to the North via the west front line by Sergeant First Class Han Hyo-su,

24. As a result of the investigation, the Army arrested Lieutenant Kuk Sung-ki, 25 (member of the 32d class of the Reserve Officers Training Corps), for failing to block Han's defection. The Army also arrested seven soldiers, who were on guard duty at the time the incident occurred, for being deprived of their guns by Sergeant First Class Han.

At the same time, the Army referred nine commanding officers, including the company, battalion, and regimental commanders, to the Disciplinary Committee for failing to fulfill their command duties.

These facts show a snapshot of problems in the military, such as the Army's inability to cope with emergencies and its rule-of-thumb management of military personnel. The military authorities put forth various measures to improve the situation whenever a military-related incident occurs — such as an army officer's deserting his barracks to carry out a bank robbery and the murder of an officer by his men. The recent incident, however, proves that the military authorities' measures were nothing but empty phrases.

According to an Army-related official, Sergeant First Class Han, drunk on wine, visited the platoon commander's room around 0200 on 4 September, told him about his unfortunate home background, and indicated his willingness to defect to North Korea by saying: "Although North Korea is suffering from floods and cholera, the situation in North Korea must be better than my circumstances." However, the platoon commander did not take any proper action to prevent his defection.

At around 0600 that day, while Lieutenant Kuk remained an idle onlooker after reporting the previous night's meeting to the battalion's briefing room, Sergeant First Class Han disarmed soldiers on guard duty and defected to North Korea. Because it was revealed that several on-duty soldiers failed to control a drunken soldier, people conclude that there are problems in soldiers' attitude and training during ordinary times.

Sergeant First Class Han, who entered the army in 1991, recently volunteered to serve in the rear to take care of his father, who has been in the hospital since his ankle was broken while working at a construction site. However, the sergeant's request for a change of service venue was turned down because his younger brother was said to be able to support his father. This also shows that there are many problems in personnel management of noncommissioned officers.

Currently, the military authorities are not supposed to allow officers and soldiers, who serve in front areas on the north of the off-limits line for civilians, to drink any alcohol at all. Those who have unfortunate home backgrounds or family problems are not allowed to serve in areas adjacent to iron fences at the front, such as guardposts. However, the recent incident has also revealed that these regulations are not fully obeyed.

Navy To Expand Operational Zone by 2000

SK1809101195 Seoul CHUNGANG ILBO in Korean 18 Sep 95 pp 1-2

[Report by Kim Min-sok and Choe Sang-yon: "ROK Naval Strategic Command To Be Established on Cheju Island"]

[FBIS Translated Text] For the first time, our Navy's main operational zone will expand to the South China Sea from the seas around the Korean Peninsula from 2000. Accordingly, our Navy, which has been operated mainly under the concept of defending the nation from North Korea, will be expanded and reorganized into an "ocean navy."

The sea route from the Strait of Malacca to Taiwan and the South Sea is a very important strategic sea zone, through which most of the oil and natural gas imported by the ROK, as well as half of all trade materials, passes. Nevertheless, our Navy has had no independent defense capability relative to this sea zone. This being the case, measures to expand our Navy's operational zone are intended to meet this purpose.

In particular, under circumstances in which disputes between China, Vietnam, the Philippines, and other neighboring countries over the Spratly Islands have become fierce and in which military tension between China and Taiwan has been heightened, there is an increased need for our Navy to build its own independent defensive capability to cope with an emergency. On 17 September a relevant government official revealed that the Ministry of National Defense [MND] has recently decided to organize in the year 2000 a fleet-sized "navy strategic command" whose main mission will be protecting the sea routes from the Strait of Malacca to Taiwan and the South Sea. This fleet-sized command will comprise two battle groups, including destroyers, escort ships, and other major warships numbering more than several-score warships.

According to this plan, the present Cheju Defense Command, a battle group-sized unit located in the area near Sogwipo, Cheju Island, will be dissolved, and a new fleet command will be organized on this site.

For this, the MND intends to include 200 billion won in its budget each year in the three years from 1998 to 2000—for a total of 600 billion won—for the purpose of drastically expanding facilities on the base of Cheju Defense Command, including the pier.

The new navy strategic command will be organized as a subordinate unit of the Navy Operation Command, and a rear admiral-level naval officer will be posted to this command as commander.

A relevant government official said: When the Navy Strategic Command is newly organized, it will work as a means of protecting our commercial ships from potential marine threats by China and Japan, and at the same time it will be an occasion for our Navy to expand itself as an ocean navy.

Thus, he attached significance to organization of the command. He then pointed out that, "due to the fact that the area on the southern edge of Cheju Island is an important strategic stronghold located between China and Japan and that the area plays the role of a gateway to the Pacific from the West Sea, the area was designated as the site of the new command."

Solon Describes Mistral SAM as 'Unsuitable'

SK1909115495 Seoul YONHAP in English
1100 GMT 19 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 19 (YONHAP) — An opposition lawmaker claimed Tuesday the Defense Ministry had ineffectively disbursed 26.4 billion won in the purchase of "unsuitable" missiles.

At an Assembly Defense Committee session, Rep. Yim Pok-chin of the National Congress for New Politics [NCNP] said the ministry pushed the purchase of "Mistral" missiles, a surface-to-air missile [SAM] designed for the defense of land bases, for use by naval craft.

"The Navy offered to use the missiles after due tests in 1995, but the ministry went ahead with the purchase last November based only on a guarantee given by its foreign manufacturer," Yim said.

He asserted that "Mistral" does not function properly when fired by moving craft because he said the missile cannot be linked effectively to firing control device on ships.

Besides, Yim said, "Mistral" can hardly be kept aboard vessels for a long period of time because it lacks waterproof coating.

The Navy now plans to use the missiles for the defense of land installations. "But, its use on land needs additional money because it has to have separate nighttime flight identification system (IFF) [Identify Friend or Foe]," he said.

The general-turned politician said that for a reason not clear, the ministry is presently trying to purchase an anti-artillery radar system (AN/TPQ-37) at 68.1 billion won despite the fact that the Army already has the similar TPQ-36 system and tests indicated TPQ-37's performance is uncertain.

In a reply, Defense Minister Yi Yang-ho said "Mistral" missiles are being deployed on naval craft and there is no substantial problem with the missile.

He also said TPQ-37 proved to be battle-usable. "Both 'Mistral' and TPQ-37 are essential to bolstering the battle ability of the armed forces," Minister Yi said.

Seoul Seeks To Increase Voting Power in IMF

SK1609055895 Seoul THE KOREA TIMES in English
16 Sep 95 p 8

[FBIS Transcribed Text] The government is pushing for an increase in its voting rights from the current 0.55 percent of the International Monetary Fund [IMF] to 1.5 percent but this dash is unlikely to be accepted by the U.S. and other Western countries.

Over the past few years, Seoul has pushed for more voting power in the IMF above its present ranking of 36th, a level which is not commensurate with the nation's economic status in the global economy.

Finance and Economy Minister Hong Chae-hyong has said repeatedly in international forums that the nation's voting rights should be raised at least to 1.5 percent of IMF's capital, to enable Korea to rank at least 14th.

This proposal will likely be raised in the annual meeting of the International Monetary Fund and World Bank in early October, a government official said.

This week, U.S. Deputy Assistance Secretary Timothy Geithner visited the Korean Ministry of Finance and Economy to encourage Korea's participation in the IMF-led creation of an emergency funding pool, widely known in the IMF as the "General Agreement to Borrow (GAB)," to aid countries in financial crisis.

Kim Chong-pil Calls Illness Rumors 'Groundless'

SK1909042195 Seoul YONHAP in English
0236 GMT 19 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 19 (YONHAP) — President Kim Chong-pil of the splinter opposition United Liberal Democrats (ULD) returned to the party's offices on Monday, putting an end to his 16-day absence during which he remained at his Chonggu-tong residence recovering from an illness.

Kim said at an informal meeting with members of the press at the ULD headquarters in Mapo, Seoul, "I was merely recuperating at home from stress-related neuralgia, which I developed after I became fatigued by my strenuous stumping tours for the June 27 local elections. The rumors about my serious illness are all groundless. I'll come to the party's office and attend to my duties regularly in the future."

Opposing demands made by the major opposition National Congress for New Politics (NCNP) calling for an increase in the number of lawmakers elected under the proportional representation system, Kim commented, "The current number of lawmakers is by no means small. It would be undesirable to increase the number of legislators under the present circumstances."

Referring to the controversial NCNP move to have some ULD lawmakers testify as witnesses in the course of the forthcoming parliamentary inspections of the administration, Kim said, "I understand the NCNP announced the list in question onesidedly and now that the matter has been resolved satisfactorily, we'll make no further issue of it."

NCNP Lashes Out at Arrest of Nowon Ward Chief

SK2009100995 Seoul YONHAP in English
0604 GMT 20 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 20 (YONHAP) — The main opposition National Congress for New Politics (NCNP) on Wednesday called the arrest Tuesday of Nowon Ward head Choe Son-kil on charges of election law violations "oppression of the opposition party," demanding law enforcement authorities maintain equilibrium in dealing with election law crimes.

As the investigation of Haenam County Chief Kim Chang-il on charges of election law violations was followed by Choe's arrest on similar charges, some NCNP members grumbled, "Why is this only happening to successful NCNP candidates who ran in the recent elections?"

NCNP President Kim Tae-chung, after hearing about Choe's arrest, instructed Rep. Yim Chae-chung, who was elected from Nowon, to look into the charges brought against Choe.

NCNP Spokesman Pak Chi-won said, "We don't like the saying, 'you could find dirt on any person, if he isn't flicked with a duster.' But I'd like to say the people are well aware which has more dirt, the government or the opposition."

In the election law violation case involving Haenam County Chief Kim, police called in some 100 volunteers who worked on Kim's campaign for questioning, Pak stressed, adding law enforcement agencies should stop such "target investigations."

Assistance to Software Industry To Continue

SK2009013695 Seoul THE KOREA HERALD
in English 20 Sep 95 p 8

[FBIS Transcribed Text] The government will continue to expand financial and technological assistance to the domestic software industry and enforce a new law to better protect software program copyrights, the Ministry of Information and Communication [MIC] said yesterday.

The ministry, which inaugurated a comprehensive set of measures aimed at fostering the local software industry in February this year, released an interim report on the project.

According to a ministry spokesman, about 112.1 billion won out of the 114.7 billion won, earmarked for the software development sector this year, has been spent until early this month.

"In a direct financial assistance to the software manufacturing companies, a total of 56.5 billion won has been doled out from the Information & Communications Promotion Fund," said the spokesman.

About 102 software development projects, selected until May this year, received 31.5 billion won, while the rest 25 billion won was provided to 77 other projects, he said.

As for the program to collect creative ideas from professors, students and ordinary citizens, he said that about 187 projects were selected in May and received about 7.8 billion in R&D expenses. "The 187 software development projects will end in April next year," he said.

The MIC plans to lead the local software developers to establish their own coordination committee to boost their R&D efficiency and jointly cope with problems.

Hangul & Computer Co. and 19 other software companies are likely to join the committee.

"In addition, the government has helped revitalize the private manufacturers' software marketing activities," said the MIC spokesman.

As part of the marketing efforts, a software distribution promotion council, set up in April, has kept watch on acts of unfair competition by software makers and built a joint distribution system.

"A software R&D promotion law and a computer program protection law, which have been approved by the Cabinet meeting last month, are likely to go into effect by the end of the year," the spokesman said.

Meanwhile, the state-run Electronics and Telecommunications Research Institute (ETRI) has been selected as the agency to develop the DBMS (data base management system) and distribution system software at a cost of 6.9 billion won by year-end.

In the public data base program, about 52 private and public companies were selected as developers in June. Among them, three companies are participating in the multimedia DB development projects.

As part of the effort to foster the software industry, the MIC established a special prize in February. The prize, named "New Software Commodity Grand Prize," is aimed at encouraging the financially strapped small- and medium-size software companies.

Many software venture businesses are facing the considerable difficulties with advertising and other marketing activities, even if they develop high-quality SWW [as published] products.

In July, the ministry announced that it would pump in about 42.6 billion won by 1997 to intensively foster the domestic video-game industry.

"The computer-game sector is emerging as the most promising industry in the multimedia era," said a ministry official.

"Nevertheless, the game-software industry has been regarded as a kind of entertainment and thus received little attention so far," the official said.

He said a variety of tax and financial favors have been also extended to the game-software manufacturing companies.

The soon-to-be-established software support center will be responsible for fostering game-software specialists, offering the latest game-industry information and cracking down on illegally copied or obscene programs.

The ministry has already announced that it will pump nearly 5.34 trillion won ($6.93 billion) by 2010 into the multimedia sector.

'Sharp Rise' Cited in Foreign Investment Jan-Aug

SK2009111095 Seoul YONHAP in English 1024 GMT 20 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 20 (YONHAP) — Foreigners investment in South Korea's manufacturing sector had been on a sharp rise in the first eight months of this year.

A material furnished by the Finance and Economy Ministry to the National Assembly Wednesday showed that foreigners investment in manufacturing industries totaled 640,764,000 dollars on an approval basis in the January-August period.

The amount represents a 2.5 times increase over the like period of last year when the sum stood at 251,317,000 dollars.

In a contrast, the service area drew 566,249,000 dollars in foreigners investment in the eight-month period, a decline of 161,808,000 dollars from a year before.

It also showed that remittance of profits by foreign investors totaled 169,802,000 dollars in the first half of the year. The amount included 110,028,000 dollars in the manufacturing sector.

Foreigners profit remittance amounted to 137,167,000 dollars in 1992 and 155,323,000 dollars in 1993.

The surging profits by foreign investors indicate that foreign industries or investors were enjoying handsome profits riding the tide of overall business recovery in Korea.

Meanwhile, South Korean industries' investment abroad reached 2,468 million dollars in the first eight months of this year, up 6 percent over a year before.

Of the total, those major projects exceeding 10 million dollars investment each totaled 33 or 1,190 million dollars in amount, according to the material.

Brunei, Malaysia & Singapore

Malaysia

Velayati, Mahathir Discuss Bosnia, Bilateral Ties

LD1509120595 Tehran IRNA in English 1114 GMT 15 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 15, IRNA — Iranian Ministers of Foreign Affairs and Defense, Dr. 'Ali Akbar Velayati and Mohammad Foruzandeh, met and conferred with Malaysian Prime Minister, Mahathir Mohammad, here on Friday.

Velayati in the meeting, conveyed a verbal message of President Akbar Hashemi-Rafsanjani to Dr. Mahathir.

The two sides discussed ways of further expansion of Tehran-Kuala Lumpur ties in the political, economic, cultural fields as well as joint cooperation in Central Asia and strengthening of cooperation at the 52-nation Organization of the Islamic Conference (OIC) particularly on the Bosnian issue.

Velayati and Foruzandeh are in the Malaysian capital for the joint meeting of foreign and defense ministers of the OIC Contact Group on Bosnia.

The eight-member Contact Group is made up of Iran, Malaysia, Turkey, Senegal, Egypt, Maghreb, Saudi Arabia and Pakistan.

Velayati in his meeting with the Malaysian premier, expressed his satisfaction on the outcome of the special sessions of the OIC Contact Group which ended last night.

He stressed that the Islamic Republic of Iran along with other OIC members, would as before, play the major role in restoring peace in Serb-aggressed Bosnia.

Mahathir, for his part, expressed hope that the decisions taken at by the foreign and defense ministers of OIC Contact Group, would be executed with speed.

He pointed out to the necessity of continuation of cooperation among Islamic countries in order to put an end to war and bloodshed in Bosnia, and to support that sovereign, independent Muslim republic in Europe.

Concerning bilateral ties, Dr. Velayati said following Mahathir's visit to Tehran and Rafsanjani's visit to Kuala Lumpur, the two countries's trade ties have remarkably improved.

He added that during the inauguration ceremonies of the Iran- Turkmenistan highway in may 1996, Malaysia would be invited as a future partner.

Velayati said cooperation among OIC members would not only be in political issues, but rather lead to promotion of economic relations.

Commentary Reaffirms Opposition to Nuclear Tests

BK2009102695 Kuala Lumpur Voice of Malaysia in English 0810 GMT 20 Sep 95

[Station commentary]

[FBIS Transcribed Text] [Words indistinct] and reminds the international community of mankind's vulnerability to nuclear annihilation. The fairy tale, which has nothing to do with Charles Dickens' [word indistinct], is about the annihilation of 234,000 human lives in Hiroshima and Nagasaki in 1945. The holocaust had at a cost brought the Second World War to an end, but also left an indelible mark in human memory ever since.

The end of the Second War was almost immediately followed by another conflict, that is the Cold War between the United States and the Soviet Union. These superpowers perceived nuclear arsenals as an effective means to consolidate their positions and formidable clout as world leaders. This had consequently triggered off an arms race between the two and was perpetuating human concern and fear of nuclear destruction.

Four decades of Cold War saw the proliferation of 50,000 nuclear warheads and a total of 2,086 nuclear tests — 511 in the atmosphere and 1,575 underground. The game was by no means confined to the two superpowers only. Over the years, several nations also joined in the fair as they went to equip their arsenals with nuclear weapons. With the end of the Cold War, both the superpowers had agreed to scale down the size of their nuclear arsenals. But in other parts of the world, things are different. Nations, which possess such weapons, are reluctant to relinquish the possession of the horrendous weapons. As such, nuclear tests go on at the whim and fancy of the possessors regardless of the damage to the environment and the health hazards to human beings that come as a consequence of the tests.

This month in defiance of worldwide criticisms and protests, France resumed the first series of nuclear tests in the Mururoa atoll of the South Pacific. The future tests will last until May next year. According to France, the reason for conducting the tests was to ensure the safety and readiness of its nuclear arsenal. It also said there was no danger of conducting such tests as far as human lives were concerned. But such an assurance had been refuted by scientists who opined that the after effects of the nuclear radiation could probably last for 1,000 years.

Malaysia is against all forms of nuclear tests irrespective of whichever countries conduct them. Prime Minister Datuk Sri Dr. Mahathir Mohamed had emphatically said that the world should ban nuclear arms outright just it has banned chemical weapons. Clearly, only when there are no more weapons, will there be no further need of testing. How true is it? This is really food for thought [words indistinct].

Over the decades, Malaysia and France have been in cordial relations. The two countries share the same ideas of peace, freedom, and social justice. Hence, Malaysia's objection to Paris' persistence in carrying out a series of nuclear tests is by no means [word indistinct] on the good relationship between the two countries. It must, therefore, be viewed in a right perspective. It is an admonition calculative to make the French leadership see the reasons for checkmating the muscle-flexing nuclear tests.

Currently, no one [words indistinct] by strife and conflicts. If nuclear arsenals should be an effective deterrent to war, as claimed by some, the genocidal war in Bosnia-Herzegovina should have long been settled. Again, we also know that the Gulf war was by no means terminated by any nuclear assault.

External Trade Balance for First Half Year

BK1909061295 Kuala Lumpur NEW STRAITS TIMES in English 16 Sep 95 p 22

[FBIS Transcribed Text] Malaysia's external trade balance registered a deficit of RM [Malaysian ringgit] 5.5 billion in the first half of this year against a smaller deficit of RM721.4 million chalked up in the same period in 1994.

The Statistics Department said yesterday, Malaysia recorded a deficit of RM2.12 billion in June 1991 against a deficit of RM1.33 billion in May 1995 and against a surplus of RM220.48 million in June 1994.

In May 1994, Malaysia registered a surplus of RM198.49 million.

The department explained that the current deficit for the first half of this year was due to a much faster growth in imports (+RM20.1 billion) compared with that of exports (+RM15.4 billion).

The purchase of ships and aircraft amounting to RM2.9 billion partly contributed to the trade deficit in the first six months of 1995.

In the first six months of this year, Malaysia's total export earnings amounted to RM85.9 million, an increase of RM15.4 million or 21.8 per cent compared with RM70.5 billion attained in the corresponding period in 1994.

Malaysia's leading export earner, thermionic valves and tubes, photocells and parts raked in receipts of RM14.2 billion, and this accounted for 16.6 per cent of total export earnings.

Palm oil continued to remain the second largest export revenue earner with an export value of RM5.1 billion, accounting for six per cent of total exports.

Compared with the period January to June 1994, there was a significant increase in its export value by RM1.5 billion from RM3.6 billion, in spite of a 2.2 per cent reduction in quantity exported.

Other major commodities that registered increased export earnings were rubber (+RM1.1 billion), petroleum products (+RM517.3 million), crude petroleum (+RM225.6 million), liquefied natural gas (+RM 82.4 million), and articles of apparel and clothing accessories (+RM64.9 million.

Plywood, sawn logs and cocoa beans, however recorded decreases in export earnings.

Singapore, the United States, Hong Kong, the United Kingdom, Thailand, China, Germany and Taiwan were the major recipients of Malaysia's exports.

Malaysia's total imports amounted to RM91.41 up 28.3 per cent when compared with RM71. 2 billion registered during the corresponding period in 1994.

Machinery and transport equipment constituted the largest import component accounting for RM55.1 billion and remained the largest contributor to the increase in total import value.

Malaysia's imports were mainly sourced from Japan, the United States, Singapore, Taiwan, Germany, Hong Kong, the United Kingdom, Thailand and Korea.

The department said trade with these countries accounted for 78.5 per cent of Malaysia's total imports.

The country's major trading partners during the period under review were Japan, the United States, Singapore, Taiwan, Germany, Hong Kong, the United Kingdom, Thailand and South Korea.

Surpluses in trade were recorded with Singapore, Hong Kong, the United States of America, the Netherlands, China, Thailand and the United Arab Emirates, Pakistan, the United Kingdom and Belgium.

Deficits continued to be recorded with Japan (RM14.1b), France (RM2.2b), Taiwan (RM1.9b), Switzerland (RM1.3b), Germany (RM1.2b), South Korea (RM1.1b) and Australia (RM976.6m).

Visa Exemption Agreement Signed With Bosnia

BK1509131695 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 15 Sep 95

[FBIS Translated Text] Malaysia and Bosnia-Herzegovina have signed a visa exemption agreement. Citizens on social visits will enjoy one month of visa-free privileges, while those wishing to attend meetings or engage in sports, business, and other activities will be exempted from visas for three months. Foreign Minister Datuk Abdullah Ahmad Badawi represented Malaysia during the signing ceremony. Bosnia-Herzegovina was represented by Foreign Minister Muhamed Sacirbey.

[Begin recording] [Abdullah, in progress] ...the privilege will make it easier for Bosnian officials to attend courses on human resources development programs in Malaysia.

[Sacirbey, in English, in progress] This partnership, therefore, I think, only has much more to grow rather than to remain static. And this arrangement that we have come to today is a way to allow that to facilitate the growth of this partnership of two relatively small countries, that for their own reasons have become significant global factors, in particular in the case of Malaysia. [sentence as heard] [end recording]

UMNO Leadership 'Uncontested' in Elections

BK1909132095 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 19 Sep 95

[FBIS Translated Excerpt] The UMNO [United Malays National Organization] Supreme Council has decided that the party's presidency and deputy presidency will be uncontested in UMNO's upcoming elections. UMNO President Datuk Sri Dr. Mahathir Mohamed said this after chairing the UMNO Supreme Council meeting in Kuala Lumpur.

[Begin Mahathir recording, in progress] In UMNO, the deputy president will replace the president when the time comes. [end recording] [passage omitted on meetings of UMNO divisions]

Singapore

Military Exercises Held With Brunei, U.S.

BK1909113295 Singapore THE STRAITS TIMES in English 19 Sep 95 p 22

[FBIS Transcribed Text] Troops from the Royal Brunei Armed Forces (RBAF) are here to take part in a nine-day joint armour exercise with their Singapore Armed Forces [SAF] counterparts.

Code-named Ex Bold Sabre, it is the fourth in a series of joint armour manoeuvres since 1992.

The exercise began last Wednesday and is on until Friday.

Representing the RBAF are 45 officers and men led by Major A.K. Zulkifli Pengiran Haji Ismail, officer commanding, Armour Reconnaissance Squadron.

They are joined by 550 officers and men of the 41st Singapore Armour Regiment commanded by Major Wong Kah Koon.

The troops have undergone six days of familiarisation training.

Tomorrow, they will conduct an armour battle group live-firing exercise at the Lim Chu Kang live-firing area, during which they will launch joint armoured assaults against "enemy" positions.

For the live-firing, the SAF will field its AMX-13 SM1 tanks, M- 113 armoured personnel carriers, 120-mm mortars, and anti-tank weapons.

In a statement yesterday, the Ministry of Defence said that the exercise was aimed at promoting rapport and understanding between the two armed forces.

About 130 guardsmen from the Singapore Armed Forces are taking part in a joint military exercise with the United States Marine Corps (USMC) in Guam.

The 12-day exercise, codenamed EX Valiant Mark, will involve 200 U.S. marines.

The annual exercise is the fifth in the series which began in 1991. The SAF guardsmen led by their acting commanding officer, Major Kuek Joo Leng, left for Guam on Saturday.

Mindef [Ministry of Defense] said that the exercise provided the SAF the opportunity to train under realistic conditions and to improve interaction with the marines.

Cambodia

Foreign Minister Holds Talks With Thai Minister

BK2009080095 Phnom Penh THE CAMBODIA TIMES in English 10-16 Sep 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh — Visiting Thai Foreign Minister, Kasemsamoson Kasemsi, and his Cambodian counterpart, Ing Huot, recently, endorsed the creation of a border commission and agreed in principle to the signing of an extradition treaty, an official said.

But the two sides were unable to come to an agreement on the permanent reopening of two border checkpoints in northwest and southwest of the country, foreign ministry spokesman Hor Sothon said.

"We reiterated the wish to open the Koh Kong and Poipet checkpoints but there are some technical difficulties," he said after official talks between the ministers finished. "There was no agreement reached."

Kasem and Ing Huot did endorse a three-level border commission that will be responsible for stability along the border, Hor Sothon told reporters, adding later that an agreement on the checkpoints may soon be worked out by the commission.

Although it has already met informally twice, the commission's membership of local, provincial and national civilian and military officials has not yet been officially set.

The extradition and consular affairs treaty, drafts of which have already been circulated, is expected to be signed in the near future after several amendments are agreed to, Hor Sothon said.

In advance of the signing of that treaty, Thailand had promised to return 13 historic artifacts which had been stolen from the country and then sold in Thailand, he added.

Thailand has also promised to promote more investors from Thailand to invest in the country as well as assist the country in training officials needed for the membership in the Association of South East Asian Nations (ASEAN), Sothon said.

After the meeting, Kasem paid courtesy calls on Chea Sim, President of the National Assembly, co-Prime Ministers Prince Norodom Ranariddh and Samdech Hun Sen and had an audience with King Norodom Sihanouk.

MAS To Increase Flights to Phnom Penh

BK2009075595 Phnom Penh THE CAMBODIA TIMES in English 10-16 Sep 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh — Malaysia Airlines (MAS) will increase its frequency to four times a week between Phnom Penh and Kuala Lumpur from October 1, due to the rise in tourist traffic between the two destinations, a senior company official said.

According to MAS's country manager Ishak Kamarudin, currently, MAS flies three times a week but from October 1 onwards MAS will fly four times a week.

"MAS has increased its flights due to Cambodia's expanding tourism industry, the growing number of business travellers as well as the swelling number of overseas Cambodians returning home," Ishak said.

Ishak said he is confident about the country's travel industry despite the recent spate of kidnappings, murders, robberies and indiscriminate shootings.

The country is developing economically and politically and many investors are investing here, he added.

He also said that previously, there were only about 20 travel agents in the country but currently the number has grown to 70.

"MAS has received six applications from local travel agents in the last two months to sell the airline's tickets," he continued.

MAS was the first international airline to fly into the capital in more than 15 years when it made its maiden flight on March 22, 1992.

Additional TV Stations To Broadcast 'Early '96'

BK2009070695 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 20 Sep 95 p 9

[Report by B. Seila]

[FBIS Translated Text] According to Uy Khamloeu, managing director of Channel 3 radio and television under the KCS [expansion unknown] Kampuchea company, TV Channel 3 will officially begin broadcasting in early 1996. The television and radio equipment ordered from overseas is expected to arrive in Cambodia in mid-November. This equipment was purchased from the United States.

KCS Kampuchea signed a contract with Phnom Penh municipality to invest in this business at the beginning of 1995. It has not been broadcasting because its equipment has not yet arrived. The KCS Kampuchea company has already set up and begun to operate the FM 103 radio station.

This radio station's current broadcasting power is only 1 kilowatt, but Uy Khamloeu told REAKSMEI KAMPUCHEA on the morning of 18 September that when the television equipment arrives the radio equipment will also arrive. The station's power will then be 10 kilowatts. The FM 103 radio station, whose power will soon be upgraded to 10 kilowatts, will broadcast on both FM and AM frequencies. The power of the AM frequency is about the same as that of the current national radio station.

Uy Khamloeu also said the power of Phnom Penh's TV Channel 3 will be 10 kilowatts, like other TV stations. This radio and TV channel will also broadcast on UH (Ultra High) frequency and carry cable television.

Uy Khamloeu added that the company has already been granted permission to carry UH television and cable television. The company will start laying cable soon. The UH television channel will soon be operational. This station does not require cable, but customers that do not pay will not be able to watch programs.

Uy Khamloeu added that KCS's cable television has 24 channels. The monthly subscription fee for this station may be cheaper than the UH station, but has not been disclosed yet.

It should be recalled that a Taiwanese company recently invested in a 20-channel cable television network. This company has already worked out the subscription fee. The customer pays a $50 deposit the first month, and about $17 in subsequent months. This company will be operational in a few months.

Phnom Penh's Channel 3 radio and television station currently has a staff of 119. The Channel 3 radio and television stations broadcasting on UH frequency and on cable will start operation simultaneously in early 1996.

Another two television stations will probably start broadcasting early next year. There are currently three broadcast television stations in Cambodia — the national television, Channel 9, and Channel 5 (IBC [International Broadcasting Corporation]). In the near future there will also be Apsara Channel 3 and the Army's TV station.

Khmer Rouge Denies Government Arrest of Officer

BK1909061495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Sep 95

["Denial" issued by unidentified spokesman of the National Army of Democratic Kampuchea on 18 September — read by announcer]

[FBIS Translated Text] I. Recently, the two-heads and their Western bosses kept propagandizing that they were seeking to arrest the commanders of the resistance forces in Kampot Province and that a few days ago, they arrested some of these commanders and soldiers.

II. This is the 20th to 30th time they have launched such propaganda. Why have they tried so hard to launch such deceitful propaganda? The facts are:

1. They claimed that they have taken full control of Phnum Voa and Kampot Province and that no resistance forces remain there.

2. In fact, guerrilla attacks on the enemy are still taking place at Phnum Voa. These guerrillas who are supported by the people have been launching daily attacks at Phnum Voa, on Route 16, and in Kompong Trach, Dang Tong, Rung Veng, and L'ang. They have constantly wiped out and smashed the two-headed authorities in these areas.

3. In Kampot and Chhuk Districts and at Damrey Romeal, there are on-going guerrilla activities against the enemy, attacks against its civilian administrators and groups of 50 to 60 enemy soldiers who have been attempting to launch operations, and ambushes against enemy battalion and company positions. Strategic weapons are used, especially punji traps, stakes, poison-tipped stakes, and multi-pronged stakes, while roads are cut off, thus pinning down the two-headed military forces, police, and civilian administrators in the guerrilla and people's war.

18 September 1995

The spokesman of the National Army of Democratic Kampuchea

Khmer Rouge Criticizes Ing Huot's Hanoi Visit

BK2009042995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 19 Sep 95

[Unattributed commentary: "What Is the Purpose of the Traitor Ing Huot's Trip to Hanoi?"]

[FBIS Translated Text] Recently, Ing Huot — puppet of the alliance and communist Vietnam — went to Hanoi at the behest of communist Vietnam on the pretext of negotiating some issue on behalf of Cambodia.

Everybody knows too well the true nature of this man Ing Huot. He is a puppet, a stooge, an agent of Australia, and of a villainous alliance. He is not a Cambodian. He holds an Australian passport, has Australian nationality, and acts as the out-and-out lackey of Australia. Ing Huot does whatever Australia orders him to do. It is for that reason that Ing Huot has accepted to brownnose the traitor Hun Sen and the communist Vietnamese in Cambodia at the behest of his master. Currently, he is the cheap lackey of both the alliance and communist Vietnam. He travels far and wide, conducting propaganda for the traitorous regime, for the communist Vietnamese administration in Cambodia, for Vietnam to continue shearing off Cambodian territory by the tens of thousands of square kilometers in eastern Cambodia, and for the 4 million ethnic Vietnamese to continue swamping Cambodia and annihilating the Cambodian race. Ing Huot trots the globe to propagandize against national reconciliation and peace, and to continue to ignite the war against the Cambodian nation and race.

The Cambodian people together with the Provisional Government of National Union and National Salvation [PGNUNS] resolutely reject anything that the traitor Ing Huot has signed with communist Vietnam in Hanoi concerning Cambodia's territorial integrity and the millions of ethnic Vietnamese in Cambodia — anything that affects Cambodia's independence and sovereignty.

At the same time, the Cambodian people and the PGNUNS categorically reject and oppose anything that Do Muoi and other communist Vietnamese leaders have dictated to their puppet Ing Huot concerning the Vietnam-Laos-Cambodia special friendship and special solidarity, and concerning the Indochinese federation of communist Vietnam.

The staunch and resolute position of the Cambodian people and the PGNUNS is to carry on the struggle for genuine national reconciliation and peace in Cambodia and for an early termination of the war so that the nation and race can be preserved and last forever.

Indonesia

ABRI Chief Admits 'Mistakes' in Timika Case

BK2009110395 Jakarta ANTARA in Indonesian 0902 GMT 20 Sep 95

[FBIS Translated Excerpt] Jakarta, 20 Sep (ANTARA) — The armed forces commander, General Feisal Tanjung, has admitted that ABRI soldiers [armed forces of the Republic of Indonesia] made procedural mistakes in handling the Timika case and has ordered Army Chief of Staff Gen. Hartono to take action against the personnel involved.

"I have directed Gen. Hartono to take action against personnel who went against the procedures and regulations in accordance with the existing law," Gen. Feisal told members of the Parliamentary Commission I at a working meeting in Jakarta on Wednesday.

At the meeting chaired by B.N.Marbun from the Indonesian Democratic Party Faction in Parliament, Gen. Feisal said he directed an investigation into the Timika case after being informed that ABRI soldiers had violated human rights in the incident.

"For that reason, I have instructed the army chief of staff to verify the information. The report I received from the army chief of staff said ABRI personnel had made procedural mistakes," he said.

"So I have ordered the army chief of staff to take action against ABRI personnel who went against the legal procedures in accordance with the existing law," he added. [passage omitted]

Civilian Deaths in Timika Case 'Unavoidable'

BK2009105595 Jakarta SUARA KARYA in Indonesian 20 Sep 95 p 1

[FBIS Translated Excerpt] Jakarta (Suara Karya) — Minister of Defense and Security Edi Sudrajat has said that ABRI [Armed Forces of the Republic of Indonesia] could not have prevented the deaths of civilians in the Timika case in Irian Jaya because the security disturbance movement (GPK) had resorted to guerrilla tactics by using the people as shields. "It is common for guerrilla clashes to occur anywhere. Guerillas hide behind the people and bullets have no eyes to differentiate the enemies from the common people," he said.

Edi said, therefore, it was unavoidable that civilians became victims of the military crushing of the GPK members. "I have received the report on the Timika case. It was clear that the GPK was involved in the incident. The GPK commander was waving the movement's flag. There were also casualties on the ABRI side. In fact, the GPK seized our weapons," the minister said at a working meeting with Parliamentary Commission I at the Indonesian House of Representatives and the People's Consultative Council in Jakarta on Tuesday, 19 September.

ABRI is quite sure about the existence of GPK members in Timika, but they are hiding behind the people.

"However, we have to wait for a report from the National Commission on Human Rights and the local military region command so that we know precisely what happened," Edi Sudrajat said.

The eighth Trikora Military Region Command will decide whether or not to form a military honorary council.

After the working meeting, Edi Sudrajat was stopped by 10 persons who claimed to be the representatives of the Solidarity Forum of Irian Jaya Students and Youth for human rights in Timika, Irian Jaya. After shaking hands with them, Edi Sudrajat listened to their requests, which among other things, called on ABRI to include the local youth group and representatives of the Freeport Company in the investigation team on the Timika case. [passage omitted on preliminary investigation].

Suharto, Malaysian Minister Discuss Trade

BK2009104095 Jakarta ANTARA in Indonesian 1310 GMT 19 Sep 95

[FBIS Translated Excerpt] Jakarta, 19 Sep (ANTARA) — President Suharto has reiterated that Indonesia always considers trade liberalization in the Asia-Pacific region as something important, but that there is no need to formalize the system.

"There is no concept for creating a formal free market," Rafidah Aziz, Malaysia's minister of international trade and industry quoted the head of state as saying at the Merdeka Presidential Palace in Jakarta on Tuesday.

Rafidah paid a courtesy call on President Suharto yesterday to discuss the APEC [Asia Pacific Economic Cooperation] economic leaders meeting (AELM) in Osaka, Japan on 19 November. She was accompanied by Trade Minister Satrio Budiharjo Yudono.

Rafidah said President Suharto expressed his support for Malaysia on the need to liberalize trade in the Asia-Pacific during the meeting. [passage omitted on points in Bogor Declaration]

Based on the agreement reached in Bogor, all developed nations of APEC will liberalize trade by 2010 at the latest, while developing member-countries in 2020.

Expressing her views on trade liberalization, Rafidah said it would be better for developed or rich countries to open their markets earlier, while developing countries can do it later.

Responding to a journalist's question on Mahathir's attendance at the APEC forum in Osaka, Rafidah diplomatically said: "No decision has been made yet, but I believe he will attend."

After sending his Malaysian guest to the Guesthouse, Yudono told journalists that Indonesia had never thought of formalizing trade liberalization.

Therefore, there will be differences between APEC which will liberalize trade on the basis of the readiness of each member, and ASEAN which has signed an agreement to open its market under the AFTA. [ASEAN Free Trade Area] [passage omitted]

E.Timor Opposition Group Reports on Sep Riots

BK1909084395 (Internet) INDONESIA Listserv in English 19 Sep 95

[Report issued by the National Council of Maubere Resistance; place and date not given]

[FBIS Transcribed Text] The following information regarding the riots that rocked East Timor between 7 and 12 September 1995, has been received from a credible source in Indonesia. It shows that the violence had its origin in frustration with lack of response by government authorities to written popular protests against insults to the Catholic religion by Indonesian government officials, and in the excessive use of force by members of the security apparatus to repress protests.

The 14 September reports states: The Dili riots were caused directly by mass anger over the action of a jail official at the jail in Maliana, where on 2 September at a "spiritual guidance" session a man named SA made defamatory statements about Catholicism, witnessed by both jail officials and prisoners. The witnesses wrote a statement, sent to the Governor of East Timor, which was subsequently leaked. As there was no reaction from the Governor, a demonstration broke out in Maliana on 6 September, followed by a riot between demonstrators and security officials.

On 7 September Makassarese kiosks were burnt in Viqueque. The people had previously heard about the "Maliana issue" and this made them angry with the new arrivals. By chance also that day a local Cooperatives chairman was beaten up by a policeman. People vented their anger by burning kiosks.

On 8 September at 0830 am demonstrations occurred simultaneously in various villages within Dili to protest against SA's actions. The demonstrations turned into riots between the masses and security officials because the latter over-reacted making people angry. In some places security officials were able to disperse the demonstrations by noon time. In the villages Kuluhan, Becora, Lahane and Audian, the situation remained tense and could not be controlled until nightfall.

On Saturday 9 September the markets at Comoro in Dili were burnt. The atmosphere on that day remained tense, there was no activity and the city was deserted. In some places such as Kuluhan, Lahane, Audian and Matadoru, security officials and demonstrators had a stand-off. Each side built barricades without attempting to attack the other side, except by exchanging insults. The number of demonstrators detained was about 80 people, most of them junior and senior high school students. From other reports it is clear that torture was extensively used for questioning.

Military To Form Council on Irian Jaya Deaths

OW1609083495 Tokyo KYODO in English 0722 GMT 16 Sep 95

[FBIS Transcribed Text] Jakarta, Sept. 16 Kyodo — The Indonesian Armed Forces (ABRI) will soon form a council to fully investigate the deaths of at least 16 civilians in remote Irian Jaya Province who were allegedly killed by ABRI soldiers, a local newspaper said Saturday [16 September].

The mass-circulation KOMPAS daily quoted ABRI's General Staff Chief Lt. Gen. Soeyono as saying Friday that based on a preliminary investigation, ABRI soldiers are suspected of having committed a procedural violation regarding the case. He did not elaborate.

Soeyono said ABRI will form the Military Honorary Council (DKM) to fully investigate the case.

A number of Indonesian nongovernmental organizations said last month that at least 16 civilians have been killed and that scores of others have disappeared in clashes between troops and local people in Timika, Irian Jaya, inside the mining area of PT Freeport Indonesia, an affiliate of Freeport-McMoRan Copper and Gold of the United States.

A report by the Catholic Church of the Irian Jaya capital Jayapura circulated in Australia said that Indonesian soldiers had committed human rights abuses, including summary executions, in and around an area being mined by Freeport.

The Trikora Military Command, which oversees security in Irian Jaya and Maluku provinces, has confirmed that there was one clash in Timika between soldiers and separatist rebels.

Trikora Command Chief Maj. Gen. Ketut Wirdhana said that the rebels put up a fight as they hoisted their flag.

"Our soldiers had to shoot them," Ketut said earlier this month.

Irianese activists said earlier this month that Freeport was "at least morally responsible" for the killings, because the incident took place in the company's compound and involved the firm's security staff.

Freeport's representatives in Jakarta, however, have denied any role in the violence.

The Free Papua Movement has intermittently conducted an armed and political struggle against Indonesian control of Irian, which was ceded to Jakarta by the Netherlands in 1963.

Daily Warns of Inflation From Investment Influx

BK2009100795 Jakarta BISNIS INDONESIA in Indonesian 13 Sep 95 p 6

[Editorial: "Be Vigilant Against an Investment Influx"]

[FBIS Translated Text] Foreign investment in the first eight months of 1995 was the highest ever compared to similar periods several years earlier. Data from the Investment Coordinating Board show that the board approved 546 foreign investment projects worth U.S. $30.1 billion from 1 January to 7 September 1995. The amount represented a 63.6 percent increase over the same period last year.

The situation with domestic investment was similar, with a total of 562 projects worth 44.1 trillion rupiah being approved. However, the amount represented only a 7.6 percent increase over the same period in 1994.

It is interesting to assess the situation because the government has an investment target of 815 trillion rupiah in the Sixth Five- Year Development Plan. About 27 percent of the investment is expected to come from foreign and domestic investors. This means that foreign and domestic investment must reach at least 220.05 trillion rupiah during the five-year period or at least 44 trillion rupiah every year.

According to the Investment Coordinating Board, the cumulative realization of investment until 15 December 1994 averaged 45.8 percent. In other words, the realization of foreign and domestic investment this year will exceed the annual target. This also took place last year when about 48.29 trillion rupiah worth of foreign and domestic investment were realized. In 1993, only 26.35 trillion rupiah of foreign and domestic investment were realized. The figure was even lower in 1992 when only 23.80 trillion rupiah of investments were realized.

The investment realization rate was low in 1992 and 1993 because of a delay in the construction of a number of megaprojects after the Foreign Commercial Loans Monitoring Team restricted the acquisition of foreign loans. At that time, the construction of a number of oil, natural gas, and cement projects was delayed.

Based on the 1994 survey by the Investment Coordinating Board, the low rate of the realization of foreign investment during the 1992-93 period was attributed to complicated bureaucratic procedures in obtaining licenses and the limited availability of support facilities. The low rate of the realization of domestic investment was caused by difficulties in obtaining capital and a high domestic investment interest rate.

The less encouraging situation in 1992 and 1993 may not affect the target set for the Sixth Five-Year Development Plan if we make up for the shortfall next year. If not, the opposite will happen.

Regardless of whether the investment target for the Sixth Five- Year Development Plan will be met, growing investment, especially foreign investment this year can serve as an indicator that the investment climate in Indonesia is becoming more attractive. The attractive investment climate is no doubt proof of the positive impact of the 23 May 1995 deregulation package.

The policy has in fact been to woo as many foreign investors as possible. Accordingly, all government agencies, especially the Investment Coordinating Board and its provincial bureaus, need to have a common perception and understanding of the aims of the 23 May 1995 deregulation package.

This is a very important factor because national and provincial agencies often have different interpretations of a policy. Accordingly, intensive coordination and communication between national and provincial agencies is important.

The 23 May 1995 deregulation package alone seems insufficient to woo foreign investors. A number of additional policies and the government's will to improve license acquisition procedures are also needed. It is still fresh in our minds how investors vehemently complained about the complicated bureaucratic procedures in obtaining licenses, although the government always tries to achieve debureaucratization every time it issues a deregulation package.

In addition, there have been complaints about a lack of support facilities in Indonesia. The investors have targetted electricity, water, telephone lines, roads, and ports in Indonesia in their complaints. Similar facilities in other countries like Malaysia, the Philippines, and Thailand have become a factor in wooing foreign investors.

The high realization of investment, especially foreign investment, is in fact indispensable to achieve an average of 7.1 percent growth annually during the Sixth Five-Year Development Plan. However, we must be vigilant against inflation which usually accompanies a foreign investment influx.

We have experienced this in the past. Accordingly, we should be vigilant against the possible negative impact of the investment influx. In addition, we should also monitor a possible increase in the curent account deficit as imports will increase and exports will not be able to compete with rising imports.

Philippines

Panamanian President Arrives, Meets Ramos

PA1809204895 Panama City Telemetro Television Network in Spanish 1730 GMT 18 Sep 95

[Report by Alfredo Molina; from the "Telemetro Reports" newscast]

[FBIS Translated Text] President Perez Balladares has arrived in the Philippines, where he held a meeting with President Fidel Ramos.

The official visit by President Ernesto Perez Balladares to the Philippines is noteworthy due to several reasons. It is the first time that a Panamanian president in office visits Philippine soil. At the Malacanang Palace, another formal welcoming ceremony was held, this time presided over by Philippine President Fidel Ramos.

Both presidents exchanged greetings while the national anthem of both nations were played and the 21-gun salute honoring the Panamanian delegation in the Philippines was fired. The Panamanian delegation is in this country in order to learn the economic model developed at the former U.S. base of Subic Bay, which is now a flourishing industrial park that generates jobs for 27,000 people.

In the first four hours after his arrival in Manila, the Panamanian president met privately with President Ramos. At this meeting were present members of the Presidential Commission. The Perez Balladares-Ramos meeting lasted more than expected.

Foreign Minister Lewis Galindo has stated that the chemistry between both presidents worked extraordinarily. They talked about very similar problems the two countries are facing. Foreign Minister Lewis Galindo also stressed that President Ramos enjoys a great deal of support from the population because he has worked to find jobs for his people.

As part of the official activities, the Panamanian delegation led by President Perez Balladares placed a wreath on the Monument to Dr. Jose B. Rizal, a Philippine national hero. A gun salute was fired to honor the Panamanian president and the entourage accompanying him in the Philippines, to learn about the economic experience of Subic Bay.

It should also be pointed out that the city was decorated with Panamanian flags and banners welcoming the presidential couple who are staying at the historical Manila Hotel, which General MacArthur used as a Center of Operations during the South Pacific War.

The tight agenda continues with a decoration and a state dinner honoring the Panamanian president.

Discusses Mission

BK1909124195 Manila BUSINESS WORLD in English 18 Sep 95 p 13

[Report by Mercedes Tira Andrei]

[FBIS Transcribed Text] Panama City — For Ernesto Perez Balladares, the Republic of Panama is more than just a canal dividing Central America's isthmus to allow vital maritime traffic between the Atlantic and the Pacific.

Panama wants to become Central America's Asian economic tiger as soon as it takes over from the United States, at noon of December 31, 1999, full management of the Panama Canal's operation and infrastructure — as mandated by the Panama Canal Treaty of 1977 signed by President Jimmy Carter and General Omar Torrijos.

When Mr. Perez Balladares and his party arrives in Manila September 18 for a first-time-ever official visit, they will have completed a three-nation tour of Asia that allowed them to cultivate Panama's ties with two of Asia's economic titans — Japan and Taiwan — and to revitalize historic relations with the Philippines, his country's Asian twin in the old Spanish galleon trade.

But the September 18-20 visit to the Philippines has another value to the Panamanians: it is an opportunity to see how former U.S. military bases are being transformed into magnets of foreign investments and how a country's strategic location is being parlayed into a global trade asset.

Panama and the Philippines have many things in common: a strategic geographic location, a Spanish cultural heritage, an American military experience and economic connection.

"I'd like to learn from President (Fidel) Ramos how he did it, how he turned around the Philippine economy," Mr. Perez Balladares told BUSINESS WORLD during a meeting with several visiting U.S.- based Asian journalists. He added that he is an admirer of the West Point-educated president.

Besides savoring Manila, the Asian end of the annual Acapulco-Panama galleon trade of the 17th-19th centuries, the Panamanian leader also wants to see Subic Bay and meet Richard Gordon, chairman of the Subic Bay Metropolitan Authority.

Mr. Gordon is officially Panama's Asian hero. His name is on the lips of almost every Panamanian official involved in military bases conversion. "He is our model. We want to hire him to transform our military bases into economic centers," said Dr. Hugo Torrijos, Panama's port authority director-general.

"We can learn from Subic Bay's great experience in attracting foreign investments," he added. "The Philippines has been successful in transforming massive U.S. bases into investment centers in Asia."

Panama can pick up lessons from the Ramos-Gordon leadership and management of base lands and infrastructure, Mr. Perez Balladares said. The "great potential" of Panama to become an Asian tiger, he said, lies in the "successful transformation of the (U.S.) military bases" on its soil into investment zones and in the enhancement of the Panama Canal as the central engine of Panamanian economic development and stability.

The Panamanian chief executive and his delegation are also expected to share their experience in running the Colon Free Trade Zone, the most important duty-free zone in the Western Hemisphere second only to the Hong Kong Free Port in East Asia. President Ramos wrote this year to President Perez Balladares asking for details on how the Colon Free Trade Zone works.

Mr. Perez Balladares will also take up his country's application to the APEC [Asia Pacific Economic Cooperation]. Panama sent its membership application to the APEC Secretariat last July hoping it could join the group in November in the Osaka meeting. However, a moratorium on memberships has been recently imposed.

He is, however, optimistic that his country will become a member in time for the APEC meetings next year in Subic. By joining APEC, Panama is taking another step in its journey to define its Asian destiny. To embrace that destiny, the first step is to establish deeper roots in Asia.

Mr. Perez Balladares, an alumnus of the Wharton School of Economics, is no stranger to Asia. While serving as economic minister of Panama in 1980, he led trade delegations to Japan and Singapore. His government has actively sought in the United Nations the reinstatement of Taiwan's membership.

After his election in September 1994, he began building a coalition of technocrats, political veterans, businessmen, and private sector managers to push his vision of growth and development — transforming Panama into a strategic investment center complete with developed ports, tourism destinations, and free zones. This would be the heart of business, finance, and education in the Central American-Caribbean area, the "Asian dragon of the Western Hemisphere."

"We want to have a seamless transfer of the Panama Canal" from American to Panamanian hands, he said, adding that his Asian tour will serve to notify and assure Asian users of the Canal — notably Japan and Taiwan — that Panama will remain stable after the U.S. withdrawal from Canal management and operations and from military bases shielding zone.

Panamanians want to widen the Panama Canal in order to service the jumbo ships of the world, both commercial and military. They expect to lose as much as 4% of their gross national product when the United States withdraws its remaining 8,000 troops by 1999 as provided for in the Panama Canal Treaties.

Japanese assistance along with U.S. military presence — no matter how downsized — and Taiwanese investments in port development and shipping and aviation hubbing are all being courted and cultivated by the Panamanian Government.

Security Increased at UAE, Singapore Embassies

BK2009022195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 19 Sep 95

[FBIS Translated Text] The Makati PNP [Philippine National Police] detachment has deployed 500 policemen to ensure the security of the United Arab Emirates [UAE] Embassy during the scheduled protest against the death penalty imposed on Sarah [Philippine maid convicted of murder] in Abu Dhabi. According to Makati Police Chief Superintendent Antonio Billiones, the police will be deployed at the UAE Embassy in Skyland Plaza on Gil Puyat Avenue to prevent violence. This is based on announcements by militant groups that they will hold a series of mass actions against the UAE Government. Airport officials have also assigned security personnel to ensure the security of UAE airline offices and aircraft.

Police have also tightened security at the Singapore Embassy, fearing that memories of Flor Contemplacion [maid executed for murder in Singapore] will rouse sentiments among participants in the protest movements.

Thailand

Security Tightened Following DKBA Raid

BK1609122795 Bangkok BANGKOK POST in English 16 Sep 95 p 6

[FBIS Transcribed Text] Tak—Security has been tightened here after Tuesday's incursion by 25 Democratic Karen Buddhist Army [DKBA] troops.

The DKBA men stole a shotgun and cash and valuables worth more than 30,000 baht from villagers in Ban Mae U-Su, Tha Song Yang district.

Military Task Force 34 and Border Patrol police are running more frequent patrols in the area to prevent a recurrence.

The people here have been banned from plying their boats in the Moei River between 6 P.M. and 6 A.M.

According to the Deputy Commander of Task Force 34 Col Suwit Manmun, the Burmese authorities in Myawadi have denied any involvement in the incident.

Myawadi is across the border from Mae Sot district.

Meanwhile, A man was arrested in Mae Sot yesterday on charges of possessing war weapons with intent to sell.

Acting on a tip-off, a 10-man Border Patrol Police team manning a check-point at Kilometre 25 of the Umphang-Mae Sot Road stopped and searched a pick-up truck. They found nearly 7,000 rounds of M16 assault rifle ammunition, more than 300 M79 grenades and 30 81-mm mortar shells.

The driver, Wisut Pradit, 40, allegedly confessed he picked up the weapons in Mae Sot and intended to sell them to the rebel Karen National Union forces inside Burma opposite Tak's Umphang district district.

Authorities Seize Weapons Near Burmese Border

BK1809050295 Bangkok BANGKOK POST in English 18 Sep 95 p 3

[FBIS Transcribed Text] Tak — Weapons believed hidden by the Karen National Union [KNU] were seized in a cave near the Thai-Burmese border in Tha Song Yang, Tak, yesterday.

The arms found and seized by Thai authorities included 14 M16 rifles, four AK47 rifles two M79 grenade-launchers, one RPG rocket- launcher, 708 rounds of M16 and AK47 ammunition, 16 M79 grenades, seven bars of explosive charge, and 43 ammunition magazines.

Task Force 34 commander Maj-Gen Prayut Thapcharoen said the weapons, found near Ban Khloe Kho in Tambon Mae Tan, were apparently hidden by KNU soldiers who withdraw from border strongholds captured by Rangoon troops.

Trade Deficit With Burma Due to Border Tension

BK2009043595 Bangkok BANGKOK POST in English 20 Sep 95 p 19

[Report by Chewin Sattra in Mae Hong Son]

[FBIS Transcribed Text] Thailand's trade with Burma has run a deficit for the first six months of the year due to fighting along the border, according to Mae Hong Son governor Somchet Wiriyadamrong.

Mr Somchet said the deficit with Burma had reached more than 283 million baht, with trade between the two countries plummeting as the Burmese government fights with ethnic Karens.

The situation first soured when the Thai Third Army shut down the borders in Chiang Rai, Chiang Mai and Mae Hong Son on July 11, 1994, to maintain security along the 453 kilometre border with Thailand.

Since then, border checkpoints have only been opened intermittently.

Hardest hit by the border closures was Mae Hong Son, with its economy primarily dependent on tourism and border trade.

Mr Somchet said the longer the border remained closed, the worse Mae Hong Son's economy would be hit.

Moreover, Thailand would loose out on hefty import taxes on Burmese goods.

The Mae Hong Son Chamber of Commerce proposed that the checkpoint at Ban Huai Ton Nun in Khun Yuan District be opened and in January Thai authorities agreed to open that checkpoint.

But trade between the two countries has remained stagnant because Burmese authorities discouraged their people to trade with Thailand.

As well, the checkpoint is located in rough terrain more than 100 kilometres from Mae Hong Son town and both Thai and Burmese traders have said they feel insecure trading there.

In 1992, the value of goods imported from Burma at Mae Hong Son totalled more than 680 million baht. In 1993, that value declined to 496 million baht. By 1994, that figure had dropped to 436 million baht.

Before the Third Army closed the borders in Mae Hong Son, there were three major trading points along the border — Ban Sao Hin in Mae Sariang district, Ban Nai Soi in Mae Hong Son, and Ban Huai Ton Nun in Khun Yuan district.

Trade volume at each pass was estimated to be about 400,000 baht a day or 12 million baht a month. After the check points were closed, trade volume fell to just 30,000 baht a day.

Wachira Wiriyachaikun, the chairman of the Mae Hong Son Chamber of Commerce, said the chamber had looked for ways to boost trade and were trying to get three checkpoints opened — Ban Ka Han in Muang district; Ban Nai Soi in Pang Mu Muang district, and Ban Sao Hin in Mae Sariang district.

But in the meantime, traders along the border areas continue to complain that trade volume between the two countries is still down 80-90% from 1994.

Mr Wachira suggested that authorities open checkpoints in areas where there is no fighting.

However, he added that trading was carried out mainly by ethnics opposed to the Burmese authorities. That has put local authorities in an uncomfortable position, he said, adding that they cannot fully promote trade with the Burmese ethnics.

Thailand mainly imports raw materials such as logs, processed wood, bamboo, cattle, rattan and precious stones from Burma. Exports include rice, sugar, monosodium glutamate, sandals, clothes, consumer goods, sweets, medicines and fuel.

MP Claims To Have Seen U.S. Evidence on Drugs

BK1809082395 Bangkok THAI RAT in Thai 18 Sep 95 p 17

[FBIS Translated Text] Sub Lieutenant Praphat Limpaphan, the Chat Phatthana Party MP for Sukhothai Province and former deputy foreign minister and House Foreign Affairs Commission vice chairman, told reporters that the United States has evidence [of drug trafficking allegations against Thai politicians] and that he has seen it. Meeting with reporters on 17 September with regard to the prime minister's appointment of a public hearing committee, Praphat said the committee could follow one of two courses — either investigate to achieve justice or investigate to implicate the people involved.

Praphat said that when he visited the United States as vice chairman of the House Foreign Affairs Commission he was shown evidence demonstrating that the United States had pertinent information. He said he could not reveal what he saw, adding that reporters could ask Dr. Krasae Chanawong, the former Commission chairman, who was shown the evidence at the same time. He said the United States is prevented from revealing the evidence by the Privacy Act.

Support Expressed for Panel on Drug Trafficking

BK1909113395

[FBIS Editorial Report] Two items in a Thai-language daily support the formation of a panel headed by former Foreign Minister Thanat Khoman to investigate drug trafficking allegations by the United States against Thai politicians.

Bangkok SIAM RAT in Thai on 19 September on page 3 carries an editorial entitled: "Let's Allow the Public Hearing Panel To Work Earnestly." The editorial notes that the panel has yet to hold its first meeting, but the opposition has already begun to attack it vociferously. It continues: "In principle, the formation of the panel should be commended, and the panel should be allowed to perform. There is no need to be concerned about the panel members' reputation. Their performance will serve as a gauge as to whether they deserve that reputation or deserve to be condemned by society. The panel should be allowed to do its work, and the government bodies concerned should be urged to cooperate honestly. The information that the panel obtains from these bodies should be made public for the benefit of the general public. In this way, it is unlikely that panel members will be able to conspire among themselves."

The editorial says in conclusion: "We are not really concerned with the final outcome of the panel's work.

We think that what the people want to see is that the panel reveals its findings without holding anything back."

SIAM RAT also carries a column on 19 September on page 5 by Man Phatthanothai entitled: "The Public Hearing Panel." It says: "Some are concerned that relations between Thailand and the United States could deteriorate if Dr. Thanat Khoman cannot resolve this issue; that is, if he cannot come up with a conclusion to the unsubstantiated U.S. allegations made over a year ago in a way that would not cause any one to lose face. The United States was dragged by Thai politicians into a game then to keep their party from being replaced in the government by the Chat Thai Party after the no- confidence debate. Since it was dragged into Thai politics, the United States had no way out but to insist on the authenticity of its allegations.

"Many insiders feel Thanat will be able to defuse this issue. Moreover, by then we may be able to identify certain Thai police officers who have worked for the DEA for decades and were entrusted as paid informants. We will know how erroneous their reports to Washington were. If their reports were accurate, the United States would have enough evidence to take its case to court, as was the case with Thanong Siriprichaphong."

The column concludes: "At least this government is doing something that does not please the Americans; that is, they said they would not supply information but would form a panel to find out the truth anyway. The important thing is not whether evidence will be provided. It is has to do with allegations; if they are unsubstantiated, they should be cleared up. Employees on their payroll should not be permitted to persist in their reports about the existence of evidence in order to create news and excitement in the style of the CIA. I think the public hearing can be held at the parliament building. Let the people who have evidence reveal it. If there is no evidence and the reports were mere fabrication, let the people involved make their apology in public."

'Transparency' Urged in Drug Panel's Investigation

BK2009040695 Bangkok THE NATION in English 20 Sep 95 p A4

[Editorial: "Commission of Inquiry has to maintain Its integrity"]

[FBIS Transcribed Text] Not many people have given the commission of inquiry, which was set up to look into US drug allegations against two Thai politicians, much of a chance to succeed in their task. There is a fear that the commission will serve as a political tool to whitewash the allegations. The manner in which the government had tried to make the commission appear as a public hearing entity (as stated in Thai) is also misleading. As such, suspicion abounds.

There is a lot against the commission of inquiry, whose chairman is former foreign minister Dr Thanat Khoman.

He and the commission's members have a lot to prove. To dispel any lingering doubts about the commission's task, there should be transparency in the investigation. It should also ensure that whatever evidence is gathered is authentic. Whatever Prime Minister Banhan Sinlapaacha does with the evidence presented by the commission is up to him, although the commission must do all it can — a difficult task for the chairman and neutral members of this body — to maintain its integrity.

This in part has to do with its mission.

The commission should focus on investigating allegations against the two politicians made by the US government, which refused to grant them entry visas. The commission should not be drawn into other matters like the Police Department's blacklist of drug suspects, which might complicate the outcome of its investigation.

One of the commission's duties is to gather and classify the evidence as factual information. It must be neutral as it is not a court that will pass judgement on the matter. However, whatever it does will have an immense bearing on what the Thai public thinks of Watthana Atsawahem and Narong Wongwan. At the same time, the public must weigh the facts first, and not be emotional about it, before arriving at a conclusion.

If the commission cannot gather evidence, then it should say so publicly and not play into the hands of either of the two men, the government or the US. Thanat himself must also put aside his recent criticisms of the US and perform his duty as commission chairman without any bias.

It must be remembered that the appointment of this commission was promised when Banhan took his oath as prime minister. He now has little option on how to settle the claims by the two politicians for ministerial posts. Denied visas by the US government for alleged links with drug traffickers, the two politicians decided initially not to push hard for a ministerial post after assurances from the government that it would establish a fair hearing process.

The government has rightly resorted to the commission option for obvious reasons. Its own committee would not have any integrity. A Parliamentary committee would not do because the ruling would be too political and not factual. In any case, Narong is not an MP.

Much of the complexities emanate from fact that the US has declined to release information and evidence as to why the two men were refused visas. This has only played into the hands of the two politicians and critics of the US resulting in further complication of Thai politics. The Americans have argued that the information is classified.

The US has also made it known that it does not recognize the commission of inquiry but is willing to extend cooperation "to the fullest extent possible". This could mean releasing information and evidence only to the prime minister and not the panel. If this is the case, the buck will stop with Banhan, who is also the leader of the Chat Thai Party which Watthana and Narong belong to.

It could be safe to conclude that the US is unlikely to cooperate much and that the commission will always live close to the edge in terms of political manoeuvring. The commission must work hard to display its integrity. We support the commission given its shortcomings. Thailand needs to explore and develop options to deal with problems and not just sit idle. This is the essence of an accountable government. The prime minister, the public, the US and others can help nudge this process along.

In the final analysis, it is not the fate of the two politicians that count but how we will judge them given accurate, unbiased information, and with civility so that such allegations and such people can be prevented from resurfacing in this society.

'Rift' Between Democrat Party, Probe Chairman

BK2009041895 Bangkok THE NATION in English 20 Sep 95 p A2

[Unattributed report: "Probe Panel Chairman Thanat, Democrats Cross Swords"]

[FBIS Transcribed Text] A rift between the opposition Democrats and former party leader Thanat Khoman widened yesterday as the two sides exchanged threats and challenges.

Thanat was recently named chairman of the government-appointed commission to probe US drug accusations against Thai politicians.

While Democrat secretary-general Sanan Khachonprasat yesterday threatened to sue Thanat for slandering the party and suggested that Thanat was too old for the job, the latter challenged current Democrat leader Chuan Likphai to a live-broadcast TV encounter.

"Khun Thanat should stay home and look after his grandchildren. He's becoming forgetful now," Sanan said. "I'm considering whether to sue him for slandering the Democrat Party."

Sanan said Thanat should be grateful to the Democrat Party because it was the party that had allowed him to become a deputy prime minister. "Now he has turned against the party; I think that is no good," Sanan said.

Thanat, a former foreign minister and deputy premier, earlier accused a certain former Democrat leader of embezzling donations, following the Democrats' criticism of his acceptance of the panel's chairmanship.

He urged opposition leader Chuan yesterday to take part in a live-broadcast TV encounter with the fact-finding panel. "So the public would know the truth. This issue has long been unclear" because certain parties have tried to conceal the truth, he said.

However, Thanat denied that he has been at odds with the Democrat Party.

He said he had no hidden motive behind his decision to join the government-appointed panel and was not aiming to clear the two accused politicians of the US charges, which he said had damaged the reputation of the Thai people as a whole.

Two senior members of the ruling Chat Thai Party — deputy leader Watthana Atsavahem and Narong Wongwan, leader of the party's Thoet Thai faction — have been denied entry visas by the US government following its suspicions that they were involved with drug traffickers.

Chinese Dailies Criticize Drug Probe Panel

BK1909101595

[FBIS Editorial Report] Two Bangkok Chinese-language dailies carry items critical of the formation of a drug probe panel to help clear two senior-level Thai politicians of U.S. drug trafficking charges.

Bangkok XING XIAN RIBAO on 15 September on page 2 carries a 450-word editorial entitled: "Will the Formation of the Panel to Clear Thais of Drug Trafficking Charges be Useful?" The editorial says that the government has set up a committee to "launder" the drug charges against some politicians from the coalition government. The government would have been embarrassed if the committee had been set up in the interest of only a few persons, so it said that the committee aims to defend Thai citizens accused by foreign countries.

The editorial says that "the politicians can take up ministerial posts, and the public will have no objection if the drug probe committee is respectful and if the committee clears the politicians of drug charges. Foreign agencies, however, have based their charges in accordance with laws. They can reject persons who may be considered innocent by the Thai people and can deny them entry visas. They can even downgrade relations with a government that includes the suspected persons."

In conclusion, the editorial says that everyone knows that the government has set up the committee to help launder their politicians, and it may only achieve half of the results. We still do not know, the editorial says, whether or not the government will dare to appoint them cabinet ministers in the end.

Bangkok XIN ZHONG YUAN RIBAO on 18 September on page 15 carries a 550-word column by Jue Xiang entitled: "The Panel—for Little Benefit but Facing Big Risks." The columnist says that Prime Minister Banhan Sinlapa-acha has set up an inquiry commission to help clear Watthana Atsawahem, Chat Thai Party deputy leader, and Thoet Thai group leader Narong Wongwan of U.S. drug charges. This shows that Banhan faces pressure from his party and is in a difficult position. During the formation of the cabinet, public opinion warned Banhan to keep his pledge of not appointing persons accused by the United States of drug trafficking to the cabinet. Banhan's adviser Surakiat Sathianthai found a way out, however, by proposing the establishment of a committee to investigate the issue in exchange for not appointing Watthana as a minister.

Jue Xiang says: "So, we can see that Banhan appointed the committee under two sources of pressure. First, Banhan has to keep his promise with Watthana and Narong to investigate the issue. Second, it would be difficult for Banhan to keep his position if he did not resort to such a method. According to Chat Thai Party regulations, the party will have to select a new executive committee within 180 days after the general elections. Some party members talked about letting Praman Adireksan take up the party leadership. So, Banhan is the only one who will benefit from the formation of the committee since it will help him relieve the party of these pressures."

The columnist says that, after reviewing the duties of the committee, the public has not accepted its creation. The use of the terms "public hearing" or "inquiry" is inappropriate because the issue is not caused by conflicts within Thai society. The issue is related to the United States, which has the right to deny entry visas.

In conclusion, the columnist says: "It is not clear whether or not Banhan really wants to clear the drug charges against Watthana and Narong. Banhan, however, has reduced the pressure on his party because he has already kept his promise. For the country, however, Banhan will face the risks of causing political chaos and of affecting Thai-U.S. relations. These will cause greater public distrust of Banhan because the panel's establishment is only designed to resolve problems within the Chat Thai Party."

No Agreement Reached on Thaicom, Apstar Slots

BK1809084195 Bangkok THAILAND TIMES in English 18 Sep 95 p A 1

[FBIS Transcribed Text] Bangkok — Thailand's Thaicom and Chinese Apstar failed to reach an agreement on the orbit conflict, according to the well-placed source from the Transport and Communications Ministry.

The source said that Thai and Chinese delegates failed to negotiate with each other in order to solve the conflicts between the Thaicom satellites' orbit and the Apstar satellite's orbit because China has refused to move the Apstar's orbit, and insisting to launch its Apstar satellite on to the 77 degrees east slot, which is close to Thaicom's orbital slot.

The sources indicated that since China is believed to be in a higher level of technology and a wider coverage in its plans have been the main reason, why China refuses to change the orbital slot for its Apstar satellite.

Thaicom is the national communication satellite of Thailand under the operation Chinnawat Satellite Plc (SSA), which was awarded the 8-year bid from the Transport and Communication Ministry.

The company has already launched 2 Thaicom satellites into its orbit. Meanwhile, Apstar is the satellite owned and operated by ATP Satellite Co and a group of private companies from China, Hong Kong, Singapore and CP group from Thailand.

The conflicts between the Thaicom 1 and Thaicom 2 satellites' orbit and the Apstar satellite's orbit are the main obstacle to any solution to the problem.

SSA have raised objections as the installation of the Apstar's into orbit in the 77 degrees east slot which is very much close to the present 78.5 degrees east slot of Thaicom 1 and Thaicom 2 satellites and as the fear of signal interferences cannot be ruled out.

China ignored the Thai objections and went ahead with its plans to launch and operate the Apstar 2 from the disputed east slot area of orbit last January. Unfortunately for Apstar 2, estimated to cost over 4 billion baht, it unexpectedly exploded after 56 seconds off the launching pad.

After the explosion of Apstar 2, China instantly built a new satellite and insisted to launch a new one as a replacement for the Apstar 2.

The sources said that there is the frequency interference between Thaicom satellites and Apstar satellite. This is said to be especially because of the lack of any technological know-how to avoid the signal interference and the primary factor to any solution is the refusal of China to heed to the International Telecommunication Union (ITU).

Besides, the Thaicom 3 satellite, which SSA is scheduled to be launched to 120 degrees east slot in late 1996, there is also the same problem to overcome regarding the DFH-3-OE satellite which is scheduled to be launch and stationed at the 121 degrees east slot, the source said.

Officials View Plan To Change Tax Structure

BK1909062995 Bangkok BUSINESS DAY in English 19 Sep 95 p 1

[Report by "staff writer": "BIBF Tax Rate Review Aims at Boosting Incentives"]

[FBIS Transcribed Text] The Government plans to make changes to the tax structure on Bangkok International Banking Facilities (BIBFs) in support of Thailand's drive to become a regional financial center, a minister and senior officials said yesterday.

Finance Minister Surakiat Sathianthai said that the Finance Ministry intended to review tax incentives on BIBF operations as part of the drive to boost the country's attractiveness to international investors.

The Finance Ministry would consult with the Bank of Thailand and the Revenue Department about possible reforms, Dr Surakiat said.

M.R. [Mom Ratchawong — member of royal family] Chatumongkhon Sonakun, director-general of the Revenue Department, said that change was essential if Thailand was to compete with countries such as Singapore.

"If Thailand is to become a regional financial center, a re-examination of tax matters for competitive purposes is mandatory," he said, adding that in the past there had been no review of BIBF operations, other than for credit extension.

BIBF loans presently amount to around 800 billion baht per year.

M.R. Chatumongkhon said that the direction of BIBF operations should be examined to see whether competitiveness could be enhanced.

"One of the factors to consider is Thailand's competition with other countries in this region. Singapore is the most important competitor, since it has a lower tax rate," he said.

"We must clearly determine how effective current BIBF operations are and what the real profits are at this time," M.R. Chatumongkhon said.

The director-general said that Singapore's zero-rated tax on out-out lending left Thailand at a disadvantage. Thailand presently imposes a 10 percent tax.

Dr Somchai Richuphan, director of the Fiscal Policy Office, said that Bangkok was more costly for business than Singapore.

"(Singapore's) overall tax rate at present is approximately 20 percent, collected once only and there are no taxes on dividends or profits sent abroad," he said.

"BIBF operations in Thailand incur a profit on dividends of 10 percent, plus a business profit of 20 percent," Dr Somchai said.

Cabinet Approves Tax Cut To Promote Savings

BK2009051495 Bangkok THE NATION in English 20 Sep 95 p B12

[Report by Charuwan Loetiwnyu and Surachai Chuphakka]

[FBIS Transcribed Text] The Cabinet yesterday approved the Finance Ministry's proposal to slash the 15-per cent tax on interest earned on fixed deposits to 10 per cent to boost the domestic savings rate.

The tax cut, however, will apply to minimum five-year contractual savings aimed at education, long-term savings and retirement purposes.

If savings are withdrawn before the five year period is complete, depositors are automatically excluded from the 10-per cent tax incentive and must pay the normal 15-per cent tax. Worse, if they have already benefited from the tax cut, depositors are required to pay back the windfall at 1.5 per cent per month.

Finance Minister Dr Surakiat Sathianthai had earlier said the tax cut on interest earned on fixed deposits plus the policy to waive the tax charged on savings accounts which earned interest of less than Bt [baht] 20,000 annually, would boost national savings by Bt30 billion, or one per cent.

He also claimed the tax cut would cost the government Bt200 million in tax revenue.

Thailand is currently saving five per cent less than it is investing. Although the country saves as much as 35 per cent of its gross domestic product, it is running a five per cent deficit.

Dr Banthit Nichathawon, the Bank of Thailand's director of economic research, said the 10-per cent withholding tax was the figure the Revenue Department finally agreed to accept. He refused to reveal how much the Bank of Thailand had earlier proposed as a tax cut.

Banthit insisted the 10-per cent tax incentive on interest earned on fixed deposits is designed to attract new money and "not old money which is switched from other types of accounts."

He said whether the tax incentive boosts the national savings rate or not depends on the interest rate commercial banks provide to their clients. It is possible, however, that the interest rate given to long-term contractual savings accounts could be higher than the one-year fixed deposit rate, Banthit added.

Thai Thanu Bank's executive vice president said that although the policy seems to be on the right track, "the government is being too stingy."

He said the incentive is also limited by too many conditions. For example, to enjoy the tax incentive a savings account must not earn more than Bt20,000 in interest annually. Fixed deposit accounts are also limited by the condition that the money must be deposited for at least five years, he said.

"Thais are not accustomed to a five-year savings period. I believe the government can boost domestic savings by Bt1 billion with its incentives. However, the Bt30 billion target is doubtful," he said.

He said it is likely that the interest rate commercial banks give to contractual savings accounts will be 0.5-1 percentage point more than they currently give to one-year fixed deposits. Banks may give higher rates if the product proves to be hot. "But I don't think so," he added.

Uthai Akharaphatthanakun, managing director of First Bangkok City Bank, said the five-per cent tax cut is simply not worth the trouble. "The incentive plus the condition just cannot compete with attractive condition-free short-term savings," he said.

He said that currently about 80 per cent of all savings deposits are short-term. Only 10 per cent are six-month to one-year deposits. Deposits for more than one-year account for only a 1-2 per cent market share, he said.

Meanwhile, the Cabinet yesterday also approved the creation of a civil service pension fund.

The fund is not required to send its income to the Finance Ministry. The fund's board of directors will include the Permanent Secretary to the Finance Ministry, six other directors elected by fund members and three directors elected by the chairman of the board.

Members will be allowed to contribute money as outlined in the ministerial act. The government will match all contributions made to the fund.

Insurance Association Urges Limits on Licenses

BK2009043795 Bangkok BANGKOK POST in English 20 Sep 95 p 28

[Unattributed report: "Insurers Predict 'Disaster' Without Limit on Licences"]

[FBIS Transcribed Text] The Thai Life Assurance Association has proposed that the number of new insurance licences granted be limited to between three and five to prevent the industry from collapsing.

The association has submitted its opposition to the Government's plan for unlimited liberalisation of the local insurance industry to Insurance Department director-general Pracha Charutrakunchai.

"Unlimited licences will bring disaster to the entire industry," said Phothiphong Lamsam, president of Muang Thai Life Assurance Co and Phatthara Insurance Co.

A source in the industry said the association had suggested that no more than five new licences be issued this year and that it would be better if they were issued on a gradual basis over the next five years.

So far, 22 companies have applied to the Commerce Ministry for new life and non-life insurance licences. The application deadline is October 7.

Mr Phothiphong confirmed that the association had asked that the number of new life assurance licences be limited, but he declined to give more details, saying he was not the executive director of the association.

He said he personally agreed with the plan to liberalise the industry, but was strongly opposed to an unlimited number of new licences being issued. Such a plan did not fit with Thailand's current level of economic development, he said, adding that local market growth could not accommodate so many new life assurance firms.

"I can say that many of the newcomers will be disappointed with the market," Mr Phothiphong said.

There are currently 13 life assurance and 66 general insurance companies in Thailand. These firms are already engaged in stiff competition and newcomers will face an even tougher time, he warned. He said the Government should consider where Thailand's Gross Domestic

Product would be in the next three to five years before allowing more insurance companies to enter the market.

Liberalisation of the insurance business should be done on a gradual basis like in the finance and banking sectors he suggested.

A committee chaired by the Permanent Secretary for Commerce will consider each application before seeking ministry and then Cabinet approval.

Mr Phothiphong said he was optimistic the committee would be fair in its assessments and predicted that only a limited number of applicants would be qualified to open firms.

He said he was also concerned that an influx of new firms could lead to a shortage of qualified personnel. He said that employees with monthly salaries of 20,000 baht had been offered up to 100,000 baht by potential new firms.

At least three executives from Muang Thong Life Assurance Co have left to join the newcomers.

Vietnam

National Assembly Joins ASEAN Group

BK2009073195 Hanoi VNA in English
0627 GMT 20 Sep 95

[FBIS Transcribed Text] Hanoi VNA September 20 — The National Assembly of Vietnam has formally joined the ASEAN Inter- Parliamentary Organisation (AIPO) and was declared yesterday the sixth and newest member of this 16-year-old legislative grouping at its 16th General Assembly currently held in Singapore.

This was a historic moment for AIPO and a result of Vietnam's admission as the seventh member of ASEAN by the end of last July. Addressing the admission ceremony at the beginning of the first plenary session of the current AIPO general assembly, AIPO President Tan Soo Khoon, who is also speaker of the Singapore Parliament, said Vietnam's membership would help strengthen the regional legislative organisation.

"It will give another dimension to our ability to understand and appreciate the cocktail of cultures and historical experiences that have defined the countries of Southeast Asia," he said in a speech.

Vietnam National Assembly Chairman Nong Duc Manh described Vietnam's AIPO membership as a sign of the growing trend for peace, friendship and cooperation for regional development. He said:

"Vietnam wishes to join hands with all other nations in the region to build a peaceful, stable, cooperative and prosperous Southeast Asia, free from nuclear arms and foreign military forces."

"As we are moving away from the old world order that resulted from the Second World War and that has disintegrated, we all aspire for a new world order which is just and reasonable and in which great attention will be paid to the voices and interests of the developing world," Mr. Manh noted.

He also reiterated that Vietnam will respect the sovereignty and jurisdiction of the littoral countries over their respective exclusive economic zones and continental shelves as specified in the 1982 UN Convention on the Law of the Sea, and affirmed that "Vietnam stands for peaceful talks to solve all problems among nations, including disputes in the Eastern Sea [South China Sea], on the basis of mutual understanding and respect".

EU Investment Records 'Fast Increase'

BK1809071395 Hanoi VNA in English
0652 GMT 18 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sep. 18 — Investment from the European Union (EU) has shown a fast increase since early this year nearly matching the level of its combined registered capital in the 1993-94 period, according to the State Committee for Cooperation and Investment (SCCI).

To date, 11 of the 15 EU member states have invested in Vietnam with a combined investment capital of nearly USD [U.S. dollars] 2.5 billion, representing about nine percent of total projects and 12 percent of investment capital in Vietnam at present, the SCCI said.

It also revealed that the EU's investment has been inconsistent although its member countries were among the first investors in Vietnam following the commencement of Vietnam's policy on foreign investment about eight years ago. At the top of the list is France with 66 projects capitalised at USD 582 million, the Netherlands with 20 projects worth USD 396 million, Sweden with USD 375 million, Britain with 15 projects worth USD 366 million, and Denmark with USD 104 million.

Most of the EU projects have been in the production sector with the average registered capital being USD 14 million per project, ranking second after Japan which has USD 15.7 million each. On the other hand, the sector involving its largest number of projects has remained the oil and gas industry with about half of the 29 foreign contracts signed with EU investors such as BP [British Petroleum] (Britain), Shell (the Netherlands), Total (France), Fina (Belgium) and OMV (Austria). In addition, BP and Castrol of Britain have engaged in oil and lubricant production in Vietnam.

In the communications area, Siemens (Germany) has two joint ventures manufacturing optical fibre cables and telecommunication equipment. Alcatel (France) has also been involved in telecommunication equipment manufacturing while Kinnevik and Comvic (Sweden) have entered into a contract to produce mobile communication equipment with an investment of USD 341.5 million, marking it the largest investor in the sector.

In regard to farm produce processing, which has been one of Vietnam's priority investment areas, Sucreries de Bourbon (France) has invested in a sugar project worth USD 95 million in Tay Ninh Province which is the biggest sugar project to date. Meanwhile, the Netherlands has engaged in a project to produce 'Foremost' milk in Song Be Province with an investment of USD 29 million. In addition, the EU member countries are involved in cashew, coffee and tea production and export as well as cattle feed production.

Many food and drink companies from the EU have established their presence in various parts of the countries, including well-known breweries from the Netherlands and Denmark, as well as wine manufacturers from France and the Netherlands.

At present, four branch offices of French banks plus the auditing company KPMG Peat Marwich from the Netherlands are operating in Vietnam.

EU investors have also been interested in the tourist service and hotel business sector. Topping the list is the joint venture to build the Metropole Hotel in downtown Hanoi between Vietnam and the French company Feal International and the Societe de Development du Petropole B.V. of the Netherlands. The joint venture, capitalised at USD 47.8 million has over the past three years gained a profit of USD 5.7 million. Besides, Feal International has been involved in a USD 76-million hotel project in Ho Chi Minh City while the Compagnie General de Batiment et de Construction has been awarded a contract to build a USD 54-million hotel near the Hanoi Opera House.

In trade, Vietnam's traditional products such as textiles, garments, natural silk, anthracite, rice and other farm produce have been exported to a number of EU member states while Vietnam's market has been introduced to goods imported from these countries such as machines, materials, equipment, and chemicals.

To promote trade and investment cooperation, Vietnam and the EU have arrived at various agreements such as an accord on garment production and export in 1992, an agreement on EU technical assistance to Vietnam in 1994, and a framework agreement signed in July 1995, all providing the groundwork for the growing trade and economic cooperation between the two sides.

Vietnam and the EU established their diplomatic ties in 1990. Bilateral trade turnover has been on the rise, from USD 300 million in 1990 to USD 750 million in 1993 and the figure was doubled in the following year of 1994 and is estimated to rise by 20-30 percent this year.

Vice President, Japan's New Envoy Discuss Ties

BK1909152295 Hanoi VNA in English
1443 GMT 19 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 19—More than ever before Vietnam as has established official relations with the European Union and become a full member of ASEAN desires to step up its cooperation with Japan as well as other countries for the benefits of each country. [sentence as received]

So said Vice State President Nguyen Thi Binh while receiving here this morning the newly-accredited Japanese Ambassador to Vietnam, Khat Suzuki. [name as received]

The Vietnamese leader also expressed her pleasure at the constant development of the bilateral cooperation between Vietnam and Japan, and at Japan's increasing investment in Vietnam.

Ambassador K. Suzuki committed to contribute to further strengthening the bilateral cooperation and mutual assistance between the two nations, especially in economy.

Head of the Presidential Office Nguyen Viet Dzung and Deputy Foreign Minister Vu Khoan were also present at the reception.

Indonesian Commander Concludes 'Friendship Visit'

BK1809072895 Hanoi VNA in English
0600 GMT 18 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 17 — General Feisal Tanjung, commander-in-chief of the Indonesian Armed Forces, left Ho Chi Minh City today concluding his four-day friendship visit to Vietnam.

While here, General F. Tanjung was received by Prime Minister Vo Van Kiet, National Defence Minister Doan Khue, Minister of the Interior Bui Thien Ngo and leaders of the People's Committee of Ho Chi Minh City.

The Indonesian military delegation paid a floral tribute to President Ho Chi Minh at his Mausoleum. It also visited the Army's Museum, the exhibition on Vietnam's achievements in national construction and defence over the past fifty years, the command of the Seventh Military Zone and the Cu Chi underground tunnel.

Trade Union Delegation Visits PRC

BK1809072795 Hanoi VNA in English
0623 GMT 18 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 18 — A delegation of the Vietnam General Confederation of Labour led by its Vice President Ms. Cu Thi Hau paid a friendship visit to China from Sept. 10-18 as guest of the All-China Federation of Trade Unions (ACFTU).

While in China, the delegation exchanged views with ACFTU vice presidents, Mr. Zhang Dinghua and Mr. Li Qisheng, and other senior officials of ACFTU. It studied ACFTU's role in the implementation of China's economic renovation policy, the role of the labour law during the transition process to the market-oriented economy, and the role of trade union's in the fight against corruption, and other issues.

The Vietnamese delegation also made tours of trade union institutes in several major cities of China.

Hanoi Party Leader Meets Thai Minister

BK1509160895 Hanoi VNA in English
1449 GMT 15 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 15—Deputy Prime Minister of Thailand Mr. Sombun Rahong received this morning in Bangkok a delegation of Hanoi led by secretary of Hanoi Party's Committee Mr. Pham The Duyet now on a visit to Thailand.

At the reception, Mr. Sombun Rahong spoke about the promotion of the relations and the multi-faceted cooperation between Vietnam and Thailand as well as the establishment of the Vietnam-Thailand Friendship Association in order to create conditions for the Vietnamese and Thai peoples including businessmen to better understand and effectively and closely cooperate with each other.

For his part, Secretary Pham The Duyet expressed his desire to have more joint ventures with Thai enterprises especially in the fields of construction, telecommunications, agriculture, and agro-products processing. He also compared notes with Mr. Kritsada Arunwong Na Ayutthaya, mayor of Bangkok, on urban planning, construction and development.

While in Thailand, Mr. Pham The Duyet and his party will have working sessions with some Thai leading companies and groups such as S.A.S and UCOM [expansions unknown].

'Outstanding Economic Achievements' Highlighted

BK1709095895 Hanoi VNA in English
0746 GMT 17 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sep. 17—The Army paper QUAN DOI NHAN DAN highlighted ten outstanding economic achievements in recent years. They are:

1/Change to the Market-Oriented Economy:

The sixth national congress of the Communist Party of Vietnam initiated a process of renovation, changing the Vietnamese economy from a subsidised and bureaucratic mechanism to a market economy under the management of the state. Thanks to this decision, Vietnam has overcome a major socio-economic crisis, creating a pre-condition to take the country to a new period of development, industrialisation and modernisation. The market economy has stimulated all economic sectors, all workers and made available potential to develop production and business, thus bringing many change to society.

2/From Self-Sufficiency in Food to Exporting Rice:

From poor, backward and single crop cultivation, Vietnam's agriculture has developed and diversified its farm products. Agriculture output is now five times more than 1940, and 2.2 times more than 1976. Vietnam has food output of 26.5 million tonnes per year, enabling it to meet domestic demands as well as export.

3/Oil and Gas Industry Development:

Oil and gas has become a major industry in Vietnam's economy. In 1988, the industry pumped its first barrels of crude exploited from the Bach Ho (White Tiger) oil field. Several joint ventures have been licensed for oil and gas exploration and exploitation. Total crude output was 6.9 million tonnes in 1994 and is expected to rise to 7.7 million tonnes in 1995, and 20 million tonnes by 2000.

4/National Electricity Grid Established:

The trans-Vietnam 500-KV transmission line with a length of 1,487 km, was put into operation, linking all provinces to the first ever national electricity grid.

Thanks to this project, the central provinces now have electricity, an important condition for them to build industrial zones. In southern Vietnam, Ho Chi Minh City and other industrial zones have no longer had power shortages, while Mekong Delta Provinces have been linked into the national grid.

5/Modern Post and Telecommunications Network:

The post and telecommunications service has rapidly modernised with a system of seven satellite search stations, optical fibre cables and modern equipment. It operates 2,500 international channels with direct links to 25 countries, with telecommunication relations with 200 countries in the world.

Almost all provinces and cities now have digital switch boards. The service is continuing to implement the modernization of its system as it strives for a target of 0.8 telephone for every 100 persons this year.

6/Export Values Increased by 20 Percent Per Annum:

Thanks to the open-door policy for the export production programme, export values have increased 20 percent per year since 1990. Vietnam now has nine main export items including crude oil which is expected to increase by 96 percent, rice by 93 percent, textile and garments by 375 percent, aquatic products by 110 percent, coffee by 82 percent, cashew nuts by 194 percent, rubber by 58 percent, anthracite (black coal) by 88 percent and silk yarn by 188 percent compared with 1990 figures. Vietnam now has import- export relations with 55 countries in the world.

7/One in Four Goes to School:

According to the statistics of the Ministry of Education and Training in the 1994-95 academic school year, 15 million people throughout the country now go to school or on average, one in four attends school from primary and secondary schools to high secondary schools, vocational training schools, colleges and higher education. Ninety-two percent of the population are able to read and write.

8/Rural Road Network:

Total capital to build rural roads worth VND [Vietnamese dong] 1,615 billion was invested in 37 provinces and cities in 1991-94.To date, the total length of roads in rural areas is nearly 95,000 kilometres, accounting for 80 percent of the country's total roads.

9/Nearly 1,300 Foreign-Invested Projects:

Since the promulgation in 1988 of the law on foreign investment, Vietnam has had nearly 1,300 joint venture projects with foreign partners. Taiwan is ranked first in terms of number of projects with 180 projects, followed by Hong Kong with 176 projects, South Korea with 105 projects and Japan with 80 projects.

10/Forming Army Economic Enterprises:

In recent years, the average growth rate of the Army enterprises has increased by 10-15 percent. Many Army units are engaged in the construction of some key national projects such as construction works of the Hoa Binh hydro-electric power plant, the North Thang Long-Noi Bai expressway, Highway 5, Highway 1A and the 500KV north- south transmission line.

Export Volume Reaches $3 Billion in Eight Months

BK1609102995 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Sep 95

[FBIS Translated Text] The total export volume over the last eight months reached more than $3 billion, an increase of more than 31 percent over the same period last year. The export volume of most of the main export products increased a considerable amount. Exports of crude oil increased more than 10 percent, coal increased more than 96 percent, and tin, garment products, rice, and marine products increased more than 10 percent. Our export products, however, are mainly raw materials and nonprocessed agriculture products. Our export garments are mainly prefabricated products for foreign countries.

Industrial Production Increases 13.8 Percent

BK2009075295 Hanoi VNA in English 0627 GMT 20 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sep. 20 — Industrial production increased by 13.8 percent nationally in the first eight months of this year compared to the same period last year.

National state-owned industry production was up by 14.4 percent local state-owned industry was up 13.3 percent and the private industrial sector increased by 13.6 percent.

Among the ministries to gain the highest growth rates were heavy industry (18.4 percent), light industry (8.8 percent) and energy (7 percent).

In comparison to the same period last year, Tien Giang Province achieved the highest industrial growth rate at 68.1 percent, followed by Haiphong with 30.8 percent, Hanoi, 28.1 percent, Nghe An and Dong Thap, 23 percent each.

Essential products, such as power by 26.7 percent over the same period last year, anthracite by 20.3 percent, rolled steel by 34.7 percent, crude oil by 11.5 percent, fertiliser by 10 percent, and cement by 5.9 percent. [sentence as received]

Some products such as silk fell by 12.7 percent and raw sugar dropped by 11.6 percent.

River Transport Development Plan Summarized

BK1509161195 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 24-30 Aug 95 p 30

[Report by S.C.]

[FBIS Translated Text] The Vietnam River Transport Department recently completed the basic framework for its future orientations and the infrastructure development plans to modernize the river transport sector. The following is a summary of the plan.

1. Transport Demand Projections:

On the basis of a comprehensive development plan in conjunction with those of other related sectors, especially those with traditional ties with the river transport industry, such as the cement industry, building materials (rock, sand, pebbles, etc.), foodstuffs and other agricultural products, etc., transport demands are projected as follows:

— Goods transport demand: Until the year 2000, demand will be at 35 million tonnes and 5.3 billion tonne-km. By the year 2010, it will be 100 million tonnes and 15 billion tonne-km.

— Passenger transport: By the year 2000, it will be 200 million people; by 2010, it will be 400 million people.

The river transport industry will continue to maintain a proportion of 30-35 percent of total production output of the transport and communication sector.

2. The Riverway System:

By the year 2000, all basic survey projects, general plans, regional development plans, and specialized region plans should be completed and should be used as the foundation for the sector's construction, upgrading, and comprehensive development projects.

Also during the period, the tasks of determining exploitation regulations and standards for all inland waterways will be carried out. The full use of rivers for transport purposes will be encouraged, including all rivers that are now in use, as well as new rivers and lakes in remote and mountain areas. All waterway transport facilities will be upgraded. From the years 2000-2010, major projects to bring all potential riverways, canal building projects, and major restoration projects into full use will be implemented in order to build a complete and efficient inland waterway transport network. Work will be carried out to standardize and unify transport signals and other communication facilities in accordance with regional and international standards. Agencies assigned with the tasks management and supervision of riverway transport will be appropriately equipped. All ecological and environmental issues will receive proper attention.

3. River Ports System:

The river ports network will be overhauled to increase goods shipping capacity and the capacity to serve as effective links with public roads and railroad systems. In the first stage, the expansion and modernization of some major ports will receive high priority. They are ports in Hanoi, Viet Tri, Ninh Phuc, Can Tho, Long Xuyen, and so forth.

A number of supplementary ports will also be built to bring the total shipping capacity of the major river ports network to 18-20 million tonnes by year 2000 and to 35-40 million tonnes by 2010.

4. River Boats Fleet and Mechanic Shipyard Network:

The total freight-carrying capacity of the fleet should reach the registered level of 1.5 million tonnes by the year 2000, and 3 million tonnes by 2010. The state-owned portion of the fleet should be at least 15 percent.

The fleet will be built to serve as a modern and diversified means of transport that is capable of handling all required freight-carrying targets assigned to them. The network of ship building and repair stations should be arranged into groups to increase the ability to function effectively in both ship building and repair. More mechanic stations should be built in regions with lakes, central highlands, and the southwestern region.

5. Capital Demands and Plan to Attract Capital:

The total investment capital for the period of 1996-2000 is 3 trillion dong. For the period of 2001-2010, investment will be 20 trillion dong, taking about 6-10 percent of the total investment capital for the transport sector as a whole.

The capital will be derived from different sources: annual budget allocations, credit loans, international assistance, joint venture capital between domestic and foreign partners, income from the transport sector, and the participation of people.

For the immediate future, the national budget allocation is the major source of capital. In later years, people's contribution will be mobilized, mainly for the development of the ships contingent. The infrastructure construction of the ports will rely mainly on loans and joint venture capital.

Capital for the maintenance and upgrading of the riverways will come partly from the national budget and partly from revenues of the transport sector, such as transport fees, canal service fees, and fees for other transport services. The sector should strive to become self-reliant and self-supplied after the year 2010.

Mekong Delta Provinces Reap Bumper Rice Harvest

BK1909083795 Hanoi VNA in English 0709 GMT 19 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept.19 — Farmers in the Mekong River delta provinces have harvested nearly five million tonnes of summer-autumn rice, a record so far, according to the Ministry of Agriculture and Food Industry.

The summer-autumn crop this year covered over 1.2 million hectares with an average yield of more than four tonnes/ha. The peak yield of 4.55 tonnes/ha was recorded in An Giang with a total output of 728,000 tonnes of paddy which is an increase of 100,000 tonnes compared with the same crop last year, followed by Can Tho and Dong Thap provinces which obtained 4.35 and 4.06 tonnes/ha, respectively.

Early this year, farmers in the delta also harvested a bumper winter-spring crop with a total output of seven million tonnes of paddy.

Together with the harvesting of summer-autumn rice, farmers are transplanting autumn rice to over 700,000 ha of cultivated land.

It is estimated that the Mekong River delta may achieve a total paddy output of 14 million tonnes in 1995 or one million tonnes higher than that of 1994 and up by 3.5 times compared with 1975, the year of liberation of South Vietnam.

Journal To Be Published Twice a Month

953E0018B Hanoi TAP CHI CONG SAN in Vietnamese Jul 95 No 7, pp 3, 4

[FBIS Translated Excerpt] To satisfy the requirements of ideological and theoretical work in the new stage and implement the decision of the Standing Committee of the Politburo and Secretariat, beginning this month (July 1995), TAP CHI CONG SAN will be published twice a month. This is a very important event and signifies a new stage of development for the theoretical and political journal of the CPV Central Committee. This reflects the growth of our party's ideological and theoretical work. [passage omitted]

Today, entering a new stage in the development of the country, in conditions in which there is an explosion of information, the people's standard of culture is rising, the needs of readers are increasing, and the requirements of ideological and theoretical work are very great, it would not be appropriate for the journal to continue publishing only one issue a month. Life requires the journal to publish a greater variety of information in a more timely manner. The fact that the Standing Committee of the Politburo and the Secretariat have decided that TAP CHI CONG SAN is to be published twice a month is aimed at satisfying these requirements.

Publishing the journal twice a month will enable us to provide readers with essential theoretical information and party viewpoints and lines in a more timely manner. We will be able to publish more theoretical research articles and reviews, introduce new factors and progressive models, and present many other contents in accord with the function of the journal. This will strengthen the relationship between the journal and readers, contributors, party committee echelons, and sectors.

What is significant is that the CPV Central Echelon decided to have TAP CHI CONG SAN publish two issues a month at a time when the journal is preparing to commemorate the 65th anniversary of the birth of the party's theoretical journal (5 August 1930-5 August 1995) and the 40th anniversary of its existence as a monthly journal (15 December 1955-15 December 1995).

TAP CHI CONG SAN will be published twice a month and will continue to make renovations based on its principles, goals, and functions as the theoretical and political organ of the CPV Central Committee. Steps will be taken to constantly improve the quality of the journal. The journal will make renovations but will preserve its wonderful traditions and maintain its character.

The general guidelines of the journal in the coming period are:

To propagandize, explain, and clarify the lines and viewpoints of the party, the policies and positions of the state, and the basic issues of Marxism-Leninism and Ho Chi Minh Thought and to make creative use of and develop those issues in actual life.

To review practices, introduce the new factors and experiences of progressive models, and contribute to supplementing and perfecting the lines and positions of the party and the policies and laws of the state.

To struggle against erroneous viewpoints and to preserve the clarity and correctness of Marxism-Leninism and Ho Chi Minh Thought and the lines and viewpoints of the party.

To emphasize the theoretical and practical problems that need to be solved, issues that need to be clarified, issues that have arisen in daily life, and directions in the ideological and theoretical work of the party. In short, the journal must constantly improve its theoretical and practical nature and its combat character.

This means that the journal must adhere to the viewpoints of the party, study things in depth, organize research even better, stick close to the burning issues of daily life, and assemble a large rank of contributors, including scientists, intellectuals in and outside the party, and leading cadres in the various sectors and at all echelons.

The journal must continue to improve its format and provide greater variety. It must be more lively and attractive in accord with the needs and standards of readers in the new stage. Along with political articles, the journal must stress research articles, exchanges of ideas and experiences, commentaries, investigative articles, political essays, motions and proposals, disclosures, and so on in accord with the spirit of democracy advocated by the party.

The editorial staff of TAP CHI CONG SAN hopes that contributors and others in the same profession will cooperate actively with us and that there will be a broad response from readers.

We propose that the party committee echelons, administrative organizations, political and social organizations, and the sectors and organizations concerned provide help, create conditions, and organize things well for publishing and circulating TAP CHI CONG SAN. We hope that comrades and readers far and near will regularly give us feedback, make criticisms, and contribute ideas.

We believe that with the leadership and guidance of the CPV Central Committee and, most directly, of the Politburo and Secretariat, with the enthusiastic contributions of party committee echelons, contributors, and scientists, and with the broad response of readers, TAP CHI CONG SAN will be able to complete its tasks in the new stage.

Australia

European MP's Condemnation of Tests Welcomed

BK2009063895 Melbourne Radio Australia in English 0500 GMT 20 Sep 95

[FBIS Transcribed Text] Australia's government has welcomed the European Parliament's condemnation of France's resumption of nuclear testing in the South Pacific. In three hours of fierce debate, European MP's called on France to cancel the remaining underground test planned beneath Mururoa Atoll. Australia's Pacific island affairs minister, Gordon Bilney, has welcomed the continued criticism from the countries much closer to France:

[Begin Bilney recording] People who are France's colleagues in the European Union and in NATO have come out against these tests. I think that is a sort of pressure which will ultimately bring about the result we all want to see. [end recording]

Vote Forces Capital To Stop French Purchases

LD2009130795 Melbourne Radio Australia in English 1100 GMT 20 Sep 95

[FBIS Transcribed Text] The Legislative Assembly has ordered the Australian Capital Territory government to ban the [official] purchase of French products. The Labor Party won the support of the Green Party and independent members of the Legislative Assembly to force the government into an indefinite boycott of products either made in France or made by French companies.

During debates, Liberal MLAs members said the ban was unworkable and would achieve nothing. Deputy opposition leader Wayne Berry, who proposed the boycott, says the government should not have too much trouble identifying products on its purchasing lists which come from French companies.

[Begin Berry recording] I don't think there'd be much effort in it at all; it's just a matter of will. The government has obviously had to be dragged kicking and screaming on this issue. It doesn't want to boycott the purchase of French products but now it will have to. [end recording]

APEC Meeting Important for Region's Business

BK1609153795 Melbourne Radio Australia in English 1100 GMT 16 Sep 95

[FBIS Transcribed Text] The Australian Government has described the meeting in Adelaide of ministers from Asia-Pacific Economic Forum as a defining moment in the history of the region's small and middle-size business. The 18 APEC [Asia-Pacific Economic Cooperation] ministers wound up their meeting in the South Australia capital yesterday. (Steven Naven) reports:

[Begin recording] [(Naven)] The ministers issued a communique recognizing the importance of smaller businesses. They also promised a series of programs aimed at helping businesses as the Asia-Pacific Region moves toward free trade by 2020. Those programs will cover areas such as giving access to technology, finance, and markets. Federal Small Business Minister Chris Schacht says he is especially glad that ministers agreed to another round of talks in the Philippines next September.

[Schacht] We are talking about substance here, not just a nice-sounding communique. There was actually substance in details in the program. [end recording]

Prime Minister Comments on PNG Aid Package

BK1609132595 Melbourne Radio Australia in English 1100 GMT 16 Sep 95

[FBIS Transcribed Text] As Papua New Guinea [PNG] celebrates its 20th anniversary of independence this weekend, Australia has defended the way it provides aid to its former colony. Australia is giving PNG more than $240 million [Australian dollars] worth of help this financial year. Under an agreement between the two countries, Australia is increasingly providing assistance for specific programs, rather than the previous system of direct budget aid. Australia's Prime Minister Paul Keating says there are real benefits in helping PNG programs.

[Begin Keating recording] It doesn't need the Australian appropriation to come as budget aid; rather, we get a better bang for the buck coming as program aid, and the communities can see the immediate impact of Australian spending in such areas as schools and education and roads. So where else, if it goes in the budget it disappears into the accounts of the PNG Government. [sentence as heard] [end recording]

Minister Discusses PRC Entry in WTO

LD1909084795 Melbourne Radio Australia in English 0800 GMT 19 Sep 95

[FBIS Transcribed Text] Australia's trade minister, Bob McMullan, has opened an Australian trade forum in China with a blunt warning to Beijing over its entry to the World Trade Organization [WTO]. Senator McMullan has declared Australia will only support China's entry to the WTO once Beijing gives a reasonable response to Australian trade concerns. Australia is worried that under Beijing's plan to enter the new World Trade

Organization access for Australian services and products to China will be limited. The main concern centers on access for Australian wool.

Speaking in Shanghai, Senator McMullan said a high priority of his visit to China was to find an agreement which Australia could accept so it could back China's entry to the WTO.

[Begin McMullan recording] But the difficulty is that I cannot, as Australian minister for trade, agree to proposals that leave the Australian industry worse off as a result of the agreement than they were before we commenced the negotiations. [end recording]

Cambodia's Rangsi Makes Appeal To Cut Corruption

BK1809094095 Melbourne Radio Australia in English 0630 GMT 18 Sep 95

[From the "International Report" program]

[FBIS Transcribed Text] Former Cambodian Finance Minister Sam Rangsi says corruption in Cambodia goes to the very top of the Phnom Penh Government. Mr. Rangsi, visiting Australia for private talks with Foreign Minister Gareth Evans, says both Prime Ministers Prince Norodom Ranariddh and Hun Sen are involved in corruption. He says major aid donors like Canberra should cut international aid to Cambodia unless they are significantly affirmed by the Cambodian Government. Mr. Rangsi was sacked as Cambodia's finance minister last year and earlier this year was expelled from parliament because of his strong anti-government stand. Mr. Rangsi told Brian Abbott, as well as corruption, basic freedoms were being eroded by the authoritarian coalition government in Phnom Penh.

[Begin recording] [Rangsi] Actually, the reduction is in fundamental freedom in Cambodia, including freedom of speech, freedom of association, freedom of the press, and the crackdown on dissent.

[Abbott] Why? Why has the government cracked down on this, which is the bases of democracy?

[Rangsi] Actually, the Coalition Government is between the Royalist Party and the former Communist Party, and the Royalist Party has been just following the former Communist Party along the line of the very authoritarian rule.

[Abbott] So, there is actually what one newspaper in Phnom Penh called tweedle dee and tweedle dum, whatever Hun Sen does Prince Ranariddh does. They just....[pauses] They don't want another around the place.

[Rangsi] I am afraid so, because the Royalist party has been very corrupted, and Hun Sen allows Ranariddh to make a lot of money; and, in return, Ranariddh accepts that Hun Sen rules the country according to a very authoritarian rule.

[Abbott] So the line of corruption goes right to the very top.

[Rangsi] Yes. Before there is only one party ruling, but now the two parties are corrupted.

[Abbott] You say that corruption is rampant right through Hun Sen's party, right through FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]. What can be done to control it?

[Rangsi] Every action can be taken now because Cambodia is very dependent on international aid. The government, the administration, could not get away for more than one month without international aid. Therefore, the international aid must be conditional because by unconditionally covering all the basic needs of Cambodia, the international community allows the Cambodian Government to engage in unnecessary expenditures and to indulge in non-transparent procedures. Therefore, if donor countries are more vigilant and press on the government to reduce the corruption, I think this can bring very positive results.

[Abbott] Where does the corruption come from? Is it money siphoned off international aid, or is it money from companies wanting to set up and do business in Cambodia.

[Rangsi] Many is the selling off of state assets. When the economy was privatized, high-ranking officials started to sell the state assets as if they were their private properties, and that was aggravated by very intensive deforestation—including the cutting down of rubber trees—and by signing contracts with foreign companies, such as the Malaysian company, which has come to deprive a lot of our natural resources without bringing any significant revenue to the state but bringing mainly corruption revenue to the high-ranking officials.

[Abbott] The Khmer Rouge are usually blamed in the western media for the rape of the environment and forests, but you were saying that FUNCINPEC and Hun Sen's party are involved in that too.

[Rangsi] Actually, all parties, all factions, are involved, but the Khmer Rouge are only a part of the program, and the Khmer Rouge are used as the pretext to cover, to hide, the corruption coming from Hun Sen and from Prince Ranariddh himself. [end recording]

Projects To Receive 'Priority Treatment' in SRV

BK2009090295 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 7 Sep 95 p 14

[Report by Paul Cleary in Hanoi and Michael Dwyer]

[FBIS Transcribed Text] Vietnam has chosen Australia as one of four countries that will receive priority treatment for its major projects.

The move by the general secretary of the Vietnam Communist Party, Mr. Do Muoi, follows his visit to Australia and New Zealand last month, and trips to Japan and South Korea earlier in the year.

The Australian Embassy in Hanoi has been told that major foreign investment projects being pushed by companies from the four countries will be given fast-track treatment by Vietnam's supreme decision-making authority, the State Planning Committee [SPC].

The SPC will provide "political support" for major projects from these countries — which reflects a deliberate decision by Vietnam's leadership to pick favourites.

"Vietnam has to clarify who is who, and who we can have the best co-operation with — a selected approach," said Dr. Le Dang Doanh, the influential head of an economic think-tank within the SPC.

It is no coincidence that the four countries Vietnam has chosen for special treatment are those to which Mr Muoi took high-level business and political missions this year.

These trips were made on the basis that the four countries have good relations with Vietnam and the belief that they have a lot to offer.

The difficulty of doing business in Vietnam was also raised during the visits and the move indicates that Mr Muoi has responded directly to the complaints.

The problems Australian firms were having in Vietnam were also raised in Hanoi yesterday by the federal minister for trade, Senator McMullan.

Under the Joint Trade and Economic Co-operation Committee (JTECC), Senator McMullan and about 30 business leaders began talks yesterday with senior officials on future trade and investment opportunities.

Senator McMullan said Australia was looking to Vietnam to streamline its foreign investment procedures. He said foreign companies were particularly concerned about Vietnam's complex and time-consuming bureaucratic procedures, the uncertainty in its investment and taxation laws, and uncertainty of contractual arrangements.

"Improvements in these areas will benefit economic development and growth and give greater confidence to foreign investors," he said.

"We want to work closely with you to resolve these difficulties and find solutions which will enable foreign investors to develop their activities in a transparent business environment."

Vietnam's select approach also reflects the domination of the Sino economies in foreign investment.

Taiwan and Hong Kong are by far the biggest foreign investors in Vietnam and, with Singapore and Malaysia, account for more than a third of total foreign capital.

The value of Australian projects approved in Vietnam stands at almost $1 billion, ranking it as the seventh largest investor.

BHP [Broken Hill Proprietary] and Telstra dominate the field and both are negotiating major projects, the former in midstream and downstream gas developments and the latter in domestic phone services.

Several Australian companies have had major problems with Vietnam's somewhat difficult unpredictable business environment, and some have decided to pull their projects as a result.

French Polynesia

Authorities Detain Two Greenpeace Activists

BK2009030495 Hong Kong AFP in English 0243 GMT 20 Sep 95

[FBIS Transcribed Text] Papeete, Sept 19 (AFP) — Two Greenpeace environmental activists aboard an inflatable speedboat were detained by French authorities Tuesday after they approached Fangataufa atoll, one of two French nuclear test sites in the South Pacific, the military said.

A military statement said a Belgian man and a New Zealand woman were being questioned by authorities after their boat entered the atoll's 12 nautical mile military exclusion zone in the early morning hours.

The Greenpeace ship Manutea, which is near the atoll, said it launched the speedboat and identified the two activists as Robert Gregoor and Rachel Sanson.

The environmental organization has previously sent activists into the military exclusion zone surrounding Mururoa atoll, the other nuclear test site, to protest France's resumption of nuclear tests.

Marshall Islands

Government Negotiates Nuclear Waste Dump Site

LD1909085395 Melbourne Radio Australia in English 0800 GMT 19 Sep 95

[FBIS Transcribed Text] The Marshall Islands foreign minister, Phillip Muller, says his government is continuing talks with a number of countries about using one of the atolls as a dump for spent nuclear fuel rods. He said the countries involved were Japan, Taiwan, and South Korea. The Marshalls has several atolls, notably Bikini and Enewetak, that are largely uninhabitable following American atmospheric tests in the 1940s and 1950s. Mr. Muller said the current proposal involves Enewetak. He said if Asian partners provide the money to build facilities they could be used for the storing of low-level industrial waste.

Papua New Guinea

Australian Prime Minister Concludes Visit

BK1609130895 Melbourne Radio Australia in English 1100 GMT 16 Sep 95

[FBIS Transcribed Text] Australia's Prime Minister Paul Keating has concluded a visit to Papua New Guinea with a ceremony in the (Kikoda) region, where he was made a paramount chief of the local (Oral) people. He has also opened a (Kikoda) memorial complex and hospital, which was built with the help from Australian volunteers from the Rotary Organization with funds from the Australian Government. Mr. Keating said Australians would never forget (Kikoda) because of the crucial importance it played in battles which stopped the Japanese advance towards Australia during the Second World War.

[Begin recording] [Unidentified correspondent] Thousands of local villagers turned out for the very rare ceremony. Mr. Keating said (Kikoda) stood for sacrifice, courage, kindness, friendship, and, above all, freedom. He opened new facilities paid for by the Australian Government, including a hospital and war museum.

[Keating] Australia will never forget (Kikoda). We will never forget the Australians who sacrificed their lives here, and we will never forget the people of (Kikoda) who showed them such friendship and gave them such support. [end recording]

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